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Editor: H. D. BLACK (Acting)

Assistant Editor: GEORGE CAIGER

Associate Editors: A. G. L. SHAW, T. INGLIS MOORE, D. G. McFARLING, N. R. COLLINS.

CONTRIBUTORS TO THIS ISSUE.

- F. ALEXANDER: Professor of History in the University of Western Australia. Recently returned from a year of travel.
- T. DUNBABIN: Australian press attache to Canada in 1945, and again from 1948-1950.
- SIR F. EGGLESTON: Formerly Australian Minister to China and the U.S.A. Co-author of "Peopling Australia" (1933) and "Australian Population Problems" (1937).
- R. HOLDER: Economist, Bank of New South Wales.
- J. LEYSER: Melbourne Barrister and solicitor, for many years in charge of the Australian shortwave monitoring service.
- J. McCAULEY: Senior Lecturer in Colonial Administration at the Australian School of Pacific Administration.
- A. J. A. NELSON: Senior Education Officer, International Relations, Commonwealth Office of Education.
- L. A. OWEN: Author of "The Russian Peasant Movement, 1906-17."
- J. G. STARKE: Barrister-at-Law, author of An Introduction to International Law.



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The Kashmir Dispute and Sir Owen Dixon's Report.

Sir Frederic W. Eggleston.

The Australian public has not given to the report of Sir Owen Dixon on his mediation in Kashmir anything like the attention it deserves. This report will, I venture to say, be regarded by experts in International Affairs as a locus classicus on the settlement of international boundaries by plebiscite and/or conciliation. Many people appear to consider that Diplomacy is an entirely empirical art and that the course to be pursued in each case is entirely determined by the circumstances of that case. It is believed that no fixed principle can be laid down. This is far from being the case and, if the disputes of a similar character which have occurred in the last 100 years are examined, it will be seen that they all follow a definite pattern and similar steps were necessary in each. Human behaviour is much more conventional and cohesive than we are apt to think. It is generally possible to determine which is the best course, what measures are likely to succeed, and what are likely to fail. The merit of Sir Owen Dixon's conduct of the intervention of United Nations is that every step he took can be justified as indicated by previous diplomatic incidents. Whether his course of action was dictated by his native genius or by his study of precedents is not clear from his report.

Those interested in Diplomatic history can be recommended to

study the circumstances of the following disputes.

Tacna Arica. Dispute between Chile and Peru. By an old peace treaty this territory was to be held by Chile for a considerable period and then the destination of each province decided by plebiscite. When the period arrived Chile was able to obstruct the plebiscite for a long time, and when President Wilson offered his good offices a committee of U.S.A. personnel was appointed to organise the voting and draw up regulations. The vote was not taken, but the allocation of the two provinces was determined by agree-

Nicaragua. This was a case of civil war following a disputed

Presidential Election. U.S. intervened and appointed an organiser to hold an election and the vote apparently settled the question in 1928. The powers given to the plebiscite organisers were enormous and they were supported by United States marines.

Gran Chaco. Dispute between Paraguay and Bolivia. This dispute lasted nearly 10 years and concerned the ownership of a piece of almost unoccupied land in the centre of the South American continent, the title to which depended on the boundaries originally fixed by Spain. The dispute took the form of open warfare in 1928 and when either party got into a position of difficulty it appealed for mediation either by neighbouring Latin States or by the Pan American Union or by the League of Nations, while the successful party refused to give up the advantages he had gained by fighting. Neither party would accept a reference to judicial or arbitral settlement, presumably because the whole area would be awarded to one or the other. There was no access to this remote area except through the territory of other nations. Eventually neighbouring States forced the parties to settle.

Lelitia. Dispute between Peru and Columbia. There was no legal dispute over this case because Peru had agreed by treaty in 1922 that the territory should belong to Columbia as part of a boundary settlement. Nevertheless, after certain Peruvians had seized the area Peru adopted their action and then appealed for mediation. After a show of effective force by Columbia, Peru gave way through the good offices of Brazil.

The Abyssinian Dispute. This was really a boundary dispute and covered by an arbitration treaty between Italy and Abyssinia; but as Italy wanted the whole territory she repudiated her obligations to arbitrate. The subsequent proceedings are too well known to be repeated here, but they illustrate the almost infinite opportunity which exists for obstructing proceedings in an international body.

The Manchurian Dispute. This dispute has more relevance to general questions as to the balance of force in the area than to questions of Diplomatic principle, but it illustrates the way in which any clear view of the facts can be obscured by partisan contentions and that, if the parties are not prepared to use force or are not in a position to use it effectively, very little can be done. The Lytton report was virtually accepted by the League, but remained a dead letter because nobody was prepared to, or able to, enforce it.

The Saar Plebiscite. This was not a boundary dispute, but it is one of the most successful pieces of international action on record.

The secret seems to be that the arrangements were all made by the Saar Governing Commission, a body with plenary powers which could make full arrangements for the voting, for the international force to be sent in to guarantee the Election, for preventing victimisation of the voters and for carrying the verdict into force.

If the Palestine, Kashmir and Indonesian incidents are studied it will be seen that they follow a similar pattern to those earlier disputes, and the following conclusions can, I think, be drawn.

- (1) It is desirable, if we are to have an ordered world, that boundary disputes or conflicts or claims to territory should be settled as matters of right and that resort to force should be prevented. Sometimes no clear ground of right exists, and in these cases conciliation and mediation should be chosen, but the use of force must be forbidden to the parties.
- (2) While the world is in an unsettled state, nations are sceptical and suspicious of a settlement of right and resort to military action at an early stage hoping that, when the slow-moving international machinery gets to work, its position will be unassailable, or at any rate strong enough to prevent an adverse award from being enforced against it. In this case it is believed that mediators will be induced to accept a fait accompli.
- (3) Under the Charter the Security Council has the power to direct a cease fire whenever force is attempted or threatened, and ought to do so at the earliest moment. In the absence of adequate force it will not be able to enforce this; but, though the United Nations force is not yet organised, its cease fire orders have, until the Korean dispute, been respected.
- (4) If the cease fire order is delayed, it will be found that the parties have got themselves into as favourable a strategic position as possible. This will give them military and civil control over the areas occupied and they will have an opportunity of influencing any plebiscite or other means of ascertaining public opinion. It will also, as already pointed out, serve to induce any mediator or even a court to accept a status quo. If an award is made which is adverse to the occupying power, such occupation may enable the occupier to resist its enforcement.
- (5) Disputes of this kind may be settled either by taking the opinion of the inhabitants by voting or, if there is a case of right, by judicial or arbitral decision or fact finding, or by plain mediation. In all of these cases it seems essential that the areas should be demilitarised and all external forces withdrawn. This involves

making provision for the civil government of the area and the preservation of law and order.

- (6) If the mediator is to be given any powers of arbitration, judicial decision or demilitarisation, these powers should be complete and not depend on further agreement by the parties. Otherwise any party can hold up the proceedings at any stage. For instance, if arbitration is contemplated the mediator should have power to appoint arbitrators if the parties fail to do so.
- (7) For these purposes it is essential that the mediator should have some force at his disposal.

The State of Kashmir was desired by both India and Pakistan. but India was able to get the Hindu Maharajah to sign an accession of the State to India. As the overwhelming majority of the inhabitants of Kashmir were Muslims, Pakistan felt that if the people were consulted they would vote for inclusion in Pakistan. Muslim tribesmen from the hills and later the Pakistan regular army invaded the country for the purpose of enforcing the view that the people should be consulted and these troops occupied the western half of the area. They were opposed by the Kashmir Government troops reinforced by a large force from the Indian army. Fighting went on for some time and, on 1st January, 1949, the Security Council issued a cease fire order. A resolution agreed to by both India and Pakistan was passed by which they agreed to abide by the result of a plebiscite for the State as a whole. Though a resolution of the Security Council required the parties to demilitarise their respective areas, the details of this and the method of taking the plebiscite was left to the agreement of the parties; a United Nations Commission which was sent to supervise it was unable to secure the necessary agreement and Sir Owen Dixon was ultimately sent out as mediator. The mediator was directed to see that the plebiscite was held, but it envisaged other methods of settlement if that was not feasible. He proceeded to explore the possibilities of holding the plebiscite and he considered it necessary to secure agreement as to the conditions necessary to enable a satisfactory vote to be held, one which would satisfy the world and be creditable to United Nations.

The mediator proceeded on the assumption that no plebiscite of the kind, or indeed any other plebiscite, could be held unless the territory for which the vote was to be taken was demilitarised. Free voting could not be expected in country occupied by troops. This was the lesson of all the cases I have mentioned. To bring this demilitarisation about Sir Owen Dixon made one most important

decision. He ruled that Pakistan troops should be evacuated first because the Pakistan incursion into the territory was a breach of International Law. This involved the decision that the accession to India by the sole act of an autocratic ruler was legal and that India was legally sovereign. This was no doubt legally justified, but it might be called legalistic because the right of subjects to determine their allegiance is a principle of modern international practice and the support of that right by sympathetic neighbours and co-religionists is natural and is the central fact in many disputes which call for mediation. This decision was unpalatable to Pakistan, but, as I understand it, it was agreed by the Pakistan P.M. that his troops would move first. The mediator proposed that, at a given time after the Pakistan troops withdrew, the Indian regular troops should withdraw and the local troops should be disbanded. This stipulation was the snag on which the mediation was wrecked, for the Indian Prime Minister rejected the proposal entirely on the ground that Pakistan was the original aggressor and that therefore all her acts must be regarded with the gravest suspicion. He proposed no modification or alternative.

The line which divided the troops when the cease fire was ordered was defined, but of course the occupation had affected not only military but civil control of the area and the mediator saw that it was necessary to make provision so that this civil control should not be made the means for influencing the voting, and he proposed that the territories on either side of the line should be administered by local authorities under the supervision of U.N. officials.

Pandit Nehru rejected this on the ground that in the Western area Pakistan was an aggressor and the local officials it had appointed should not be recognised. He claimed that on the Indian side her sovereign rights should not be subject to any supervision.

Sir Owen Dixon, full of resource, then suggested that the question of civil control should be dealt with for the area as a whole and he put forward three proposals for this purpose—first a coalition Government composed of Indian and Pakistan Ministers in equal numbers, or, if that were not acceptable, a non-party Government formed by trusted persons of each area out of politics, or thirdly a United Nations Commission. These were all rejected by the Indian Prime Minister on the ground that they would all impair the Sovereignty of India.

The mediator saw that the plea of sovereignty made a settlement of the kind impossible. Pandit Nehru made stipulations at each stage which involved a complete acceptance of his case.

The mediator then turned to other methods of settlement which might be (a) plebiscites in areas into which the country would be divided and which would decide the destination of the respective areas—or (b) plebiscites for some districts and partition for the rest, or (c) a general agreement for partition without plebiscite. It will be seen that these partial plebiscites do not avoid the problem of demilitarisation or civil control and they raise even more difficult questions as to the definition of the areas in which they are to be tried. On the other hand, partition is not likely unless both parties are willing to make substantial concessions. These proposals also involved the departure of a drastic kind from the agreed resolution by which Pakistan had a right to an overall vote for the whole territory. This was her trump card, but although she would not abandon this right, Liaquat Ali Khan agreed to attend a conference at which the possibilities of partial plebiscites and partition were to be discussed. The subsequent negotiations showed clearly that the Indians were not willing to agree to the conditions which were necessary to enable a fair plebiscite to be taken either over the whole or a part, and were not willing to make any offer of a partition which Pakistan could be expected to accept. The only real concession that India was prepared to make was an arrangement by which Pakistan was assured the water of certain rivers on which her irrigation system depended.

At this stage the mediator concluded that further efforts to compose the dispute were useless. Both parties wanted the Kashmir Valley and that was indivisible. He therefore presented his report and in it he sums up as follows: "I am inclined to the view that no method of allocating the Valley to one or other of the parties is available except a poll of the inhabitants . . . The difficulty of using the expedient of a plebiscite appears to be entirely in the conflict between on the one hand the necessity of ensuring that the plebiscite is held in conditions which make it an effective means of ascertaining the will of the people independently formed and freely expressed, and, on the other hand, certain conceptions on prepossession of the Indian Government." These are, he says, based on her views of the incidents of 1947/48 and on her unwillingness to have her powers of sovereignty interfered with.

Sir Owen Dixon left India with the two armies facing one another over the cease fire line with United Nations observers in position. The order of the United Nations has not been infringed since and the responsibility for settlement now rests with the parties. They are at present incurring enormous expense in keeping their

troops in the field, but doing nothing to bring the matter to an issue. It is, of course, obvious that attempts at mediation are fruitless unless the parties prefer some sort of settlement to war. The present situation shows that neither wants war, but each has always believed by tactics and technicalities it can secure a settlement in her favour. The bluff has failed, but the situation reveals a factor which has not been sufficiently noted. Each Prime Minister has to take into account the public opinion of his community. He has done a good deal to rouse it to his support. He does not feel strong enough to risk a settlement which it would disapprove. His seat would be insecure if he did. Thus a settlement which each might arrive at if unfettered and which would obviously be to the benefit of both sides, cannot be made because of public opinion. In India this opinion has unfortunately been reinforced behind Nehru by Sir Owen's decision that Pakistan broke international law by invading Pakistan, this action having to Indian minds branded her as an aggressor. Public opinion in Pakistan is more deeply concerned and more fanatical than Indian opinion, and the concessions offered by Liaquat Ali Khan were courageous and statesmanlike. He is genuinely concerned to get a settlement by the process of self-determination by Plebiscite. As compared with his attitude Pandit Nehru comes out badly. His casuistical play with the concept of sovereignty is more appropriate to an undergraduate than to the leader of a great State. The requirements he insisted on would have made the plebiscite unconvincing. Pandit Nehru is a champion of mediation, but if the parties are unwilling to make concessions, even on technical and precedural points, mediation cannot succeed. If he had set a better example in Kashmir and Hyderabad the cause of mediation would have been advanced.

America, 1950-An Impression.*

F. Alexander.

A shrewd American once said that no man should write about a foreign country unless he has lived there less than six months or more than six years. The observations which follow are based on enquiries which bring the writer within the first of the two categories, and should to that extent reduce the risk of unconscious reflection of the prejudices of a fixed social and professional environment. Between late August and early November, 1950, he spent some ten weeks talking his way across the American Continent, from New York to Princeton and New Haven, from Boston to Chicago (by way of Montreal, Toronto, London and Windsor, primarily for a look-see at the United States from its north-eastern periphery), from Iowa City and Des Moines to Los Angeles, San Francisco and environs, to Seattle and an Australian mailboat at Vancouver D.C.

No attempt was made to 'Gallup' to statistical conclusions on a set list of questions presented in identical terms to a meticulously selected sample. Those who suffered from the writer's company nevertheless included a rough cross-section of college professors, bankers and business executives, pressmen and radio commentators, labour leaders from both C.I.O. and A.F. of L., ministers of religion and university students — not to mention those representative American citizens, travelling railway coach or pullman or eating in cafeterias and coffee shops, who required little persuasion to air their views on all branches of Government policy, domestic or foreign, with varying degrees of detachment, dogmatism and vituperation.

Insofar as conversation was subject to control, it was directed towards American policy in the Pacific, with occasional specific orientation to South East Asia and to European communities "down under" in the south-west corner of the Pacific. As a yardstick of measurement, the writer found it convenient to draw comparatively upon conclusions arrived at during a full year of more in-

This article is based on an address delivered to the Canberra Branch of the Institute on 7th Dcember, 1950.

tensive and extensive enquiries on the same subject, which he made, using similar methods, as a Rockefeller Fellow in Social Science, in 1940.*

Of the tentative impressions thus formed of American opinion in 1950, the most striking and the most enduring is the sharp contrast revealed by the nationwide acceptance of responsibilities of leadership in world affairs by a people who, ten years ago, were deeply divided on such issues as intervention or non-intervention in Europe and words versus deeds to check Japan in Asia. This contrast may seem obvious to Americans; to an outside observer who lived amidst the emotional violence of the 1940 controversies, it is almost incredible that a mere ten years could have produced such a revolution in the attitude of the people. With the exception of Colonel McCormick and the devotees who daily worship at the shrine of the Chicago Tribune (of which more anon), the American citizen of 1950 does not appear to question seriously either the expenditure of vast sums of American money overseas or the despatch of American armaments to distant countries (shades of the 'cash and carry' clauses in neutrality legislation of the 'thirties!) or even the substantial loss of American lives involved in 'police action' in Korea-police action, moreover, which was undertaken by Presidential discretion without declaration of war by Congress.

The first puzzling qualification to this widespread popular acceptance of international obligation came when the writer sought to plumb the purpose below it. He was surprised to find evidence from many different quarters which suggested complete lack of enthusiasm and absence of any positive programme among those who accepted readily enough the policies presented to them and the commitments made in their name. Faculty members in more than one university spoke of conversations with young men in their classes who had been drafted. The call-up was accepted; the student's obligation to serve was not disputed, but the lads were said to be going without any sense of mission and without enthusiasm.

The same appeared to be true of men already in uniform. An editor in the Middle West told of unpublished tape recordings of conversations between his paper's special correspondent in Korea and locally enlisted soldiers; the constant theme was "Let's get the job done and get home."

Some of these conclusions were embodied in the writer's Australia and the United States. (Boston, 1941.)

The very slogans used in the Korean campaign reflected the prevailing state of mind. When the enemy had been the Kaiser's Germany or the right wing totalitarianism of Hitler and Mussolini, it was possible to urge people to fight to make the world safe for democrarcy, American or English brand; when the war was against totalitarianism of the left, it was vaguely felt that a crusade for American-type individualism was likely to make little appeal in countries at markedly different stages of development or in others with substantially socialised economies.

When discussions turned directly to questions affecting the Pacific and Asia, the lack of positive aims and the absence of any strong sense of an American "mission," other than containment of Communism, made sharp contrast with conversations of 1940. During the ten weeks moving from coast to coast in the fall of 1950, the writer cannot recall a single public reference to "little brown brothers." There was a corresponding absence of the dogmatic assertion, heard ad nauseam in 1940, that the United States would no longer be willing to "pull British chestnuts" out of Asian fires. By contrast, there seems in 1950 to be a pretty general recognition that the job being done by the British in Malaya and Hong Kong is of significant value to United States interests and policies across the Pacific.

Ironically enough, some of the absence of emotional advocacy of pro-Asian, as distinct from anti-Communist, policies may be the result of better knowledge of the peoples and countries involved. Conversations with ex G.I.'s of World War II indicated that, whether they had served in Europe or Asia, many had returned home with shattered illusions about the charm of foreign peoples and foreign countries seen under the unfavourable conditions of actual warfare or after recent enemy occupation. Whatever the cause, it seems that, for many Americans, China has ceased to be the country where the Chinese people live—those Chinese towards whom the American people of 1940, after years of missionary influence diffused throughout the highways and byways of the United States, coupled with much-publicised visits by the Soong sisters, had adopted a traditional role of benevolent paternalism. Today, most Americans with whom the writer talked appear to think of China as the country which is controlled by a Communist government which might threaten United States interests or the American way of life.

In the years since World War II, moreover, American missionaries in and from China have failed to give a firm and clear lead to

Christian congregations at home. Most Protestant missionaries on the spot, one was told, have written home at some time or other in recent years in qualified praise of rural and other reforms introduced by Communist China. Such views appear to have been discounted by the thought that missionaries might be speaking with one eye on the Communist authorities on whose continued toleration the work of their missions very largely depends. The influence of Chinese missionaries with their correspondents at home has been reduced still further by their inability to speak with confidence of their future relations with Communist authorities at Peiping and by the vigorous anti-Communist denunciation of at least one ex-medical missionary, Congressman C. Walter Judd, and of other members of the vocal and, one was told, well financed, pro-Chiang "China lobby."

Because the writer found most discussions on Pacific policy more coldly realistic and less influenced by an ill-informed, emotional attachment for a particular Asian people than was the case in 1940, he ventures to stress his conviction that many Americans of 1950 show great readiness to think of their Far Eastern policy as an integral part of the overall, global foreign policy of the United States. Some college professors and journalists in the Middle West and on the Pacific Coast, to whom this tentative conclusion was mentioned, were quick to insist that there was as yet "no such animal" as an accepted Far Eastern policy of the post-war United Republicans, in particular, were anxious to place it on record that the wartime and post-war bi-partisan policies had been confined to Europe. The fact is nevertheless recorded that the wide range of opinions expressed in conversations concerning the desired limits of Pacific policy almost invariably touched the relative significance of Asian and European policies. Instead of keeping Pacific, Canadian, Latin American and European policies in more or less watertight compartments, Americans of widely differing viewpoints now appear to agree that policy in each area must be considered in relation to the whole. For those to whom the motive for any vigorous foreign policy is resistance to international Communism, the argument for integration is particularly strong; it is felt that Stalin might strike either in Asia or in Europe or in both places at once.

To an Australian investigator, this contrast between 1950 and 1940 seems highly significant. It encourages him to believe that when the post-war Far Eastern policy of the United States has crystallized, it will have more of permanence about it than could safely be assumed before Pearl Harbour. In pre-war years, the

regional as distinct from global approach of many Americans to foreign affairs made the policy in a particular area, such as the Pacific, more susceptible to fluctuation according to the state of the political digestion of the nation. If the global interpretation recorded above is widely held, there is less reason for other Pacific nations to feel that in trying to shape their relations with the United States they are in danger of tilting at a windmill.

As to what should be the limits of U.S. commitments in the Pacific, very wide divergence of opinion was encountered. A study of the writings in recent years of Walter Lippman at first suggested that this widely read columnist had acquired a closer appreciation of Asian problems than he had revealed in conversation or in print in the crucial days of mid-1940. His New York Herald Tribune column in the late summer and early fall of 1950 nevertheless continued to reiterate his conviction that there were more serious limits to the resources of the United States than many Americans appreciated. There could be no doubt about Lippman's view that the real danger spot was Europe and that neither General MacArthur nor any other American was justified on strategic grounds in arguing that retention of Formosa was vital to United States security.

A modified conception of the priority to be accorded to Europe over Asia in the overall policy of the United States, with which substantial agreement was voiced by many persons interviewed, was that expressed to the writer by Lester Markel, Sunday editor of the New York Times. To Markel, Europe is still the main field of battle. "Militarily," he wrote, "Europe is still our central bastion; culturally, it is the fountainhead of our civilization; economically, it is vital to our well-being." But Markel sees both Atlantic and Pacific policies woven into a global policy; he refuses to admit the implication that priority for Europe precludes "a full measure" of policy planning in Asia and he insists that failure in either area means failure in both.

It is worth emphasising, in passing, that this attitude was endorsed by as many Californians as New Englanders. Little evidence was found to support the view, widely held outside and even within the United States, that Americans near the Atlantic think only of Europe and Californians exclusively of the Pacific. On the contrary, improvements in communication between East and West and the steady intake of what a West Australian would call "t'othersiders" to serve the rapidly expanding industrial needs of post-war California appear to have done much to bridge any gulf of ideas pre-

viously separating peoples of the eastern and western seaboards of the United States,

It is more difficult for an observer to write with confidence of the extent to which South East Asia and the South West Pacific now enter the area of direct American strategic interest in the minds of those specially concerned with Pacific policy. Over the ten year period since 1940 there has been a very marked increase in the knowledge of Australia and of its northern, Asian neighbours—even if it has been a little embarrassing for an Australian investigator to be complimented more than once on his competence in the English language! There also seems no doubt that the predisposingly friendly, pre-war attitude towards Australians and New Zealanders has not suffered unduly from G.I.s' experiences "down under"—perhaps as the result of contrasts drawn with social conditions and human behaviour encountered further north and of the G.I.'s special susceptibility to the charms of the fairer sex in Australia.

But increasing knowledge and personal friendliness do not necessarily make for active political interest. Some Americans to whom the direct question was put, whether South East Asia and Australia could be included within the field of continuing United States strategic commitments, insisted that the South West Pacific still remains a "purely peripheral" area as far as the United States is concerned. Among individuals who refused to accept any such limitation of American strategic interest, one of the most emphatic was General William Donovan, wartime head of the Office of Strategic Services, whose quiet manner in his downtown New York lawyer's office belies his popular nickname. The General went on record that no clear line of strategic interest could be drawn in the Pacific. "The first thing we have to do is to recognise that the theatre is one theatre, Burma-India-Siam-Indo-China-Manila-Malaya-Formosa-Korea-Japan; that it is all one in spite of the differences that lie between."

The complications of a Congressional election campaign served both to confuse and to highlight some of the issues with which the writer was concerned. As his previous investigations had coincided with the "third-term" presidential campaign of 1940, the opinion is ventured that, even in domestic politics, the decade has produced a certain decline in emotive irresponsibility, though there is still more than an outsider finds easy to reconcile with other signs of material and intellectual maturity in the United States.

The decision of the Republican Party to fight the 1950 election

campaign on the China record of the Truman Administration inevitably gave a partisan twist to some of the writer's discussions with confessed Republicans. References were common and colourful to Marshall and Acheson having "sold the pass" in China. While the intellectual irresponsibility of Senator McCarthy was widely deplored, the disclaimer was frequently qualified by the assertion that there was a substratum of truth in the charge of excessively academic, "pinkie" influence upon State Department policy in recent years.

Opponents of the Administration generally went on to support General MacArthur's attitude, at least to the extent of insisting that Communist China must not be allowed to secure control of Formosa, that it was unwise to turn one's back on one's "friends," and that, after all, Chiang Kai-Shek had an army and was probably much less inefficient than his unfortunate toleration of corrupt associates might suggest.

When the argument was pressed further, however, and the person interviewed was asked whether he would favour economic or military aid to assist Chiang in reconquering the mainland of China, the answer came back quickly in the negative: "We can't afford to get bogged down in China." Among several score Americans with whom this issue was raised, not one answered the question in the affirmative—with the possible exception of the editor-in-chief of a widely-read New York periodical who emphasised his conviction that a surprisingly strong rural as well as urban opposition to the Communist regime in China had already developed among all sections of the Chinese people except the student bodies.

For an outside observer to venture an opinion on the form in which the Pacific policy of the United States will settle down after the excitement of the Congressional elections is, of course, highly dangerous. For what it is worth, the opinion is ventured that there is more common ground between the Administration and its critics on Pacific policy than Press criticism and radio or platform pronouncements might suggest. So strong is the impression of an increasingly realist approach to international commitments among the American people that it would not surprise the writer if the electoral aftermath produced a readiness of rank-and-file Republicans and Democrats alike to accept Administration decisions on the vexed questions of Formosa and recognition of Communist China which were based on such rational grounds as an admission that the Peiping Government is in substantial control of the mainland of China, the need to keep Formosa free from an occupation

hostile to the United States and the importance of obtaining some assurance of normal diplomatic behaviour before taking the risk of trying to drive a wedge between Peiping and Moscow by admitting Communist China to membership of the United Nations.

This suggestion of post-election readiness of the American people to accept Administration decisions on Pacific policy is made regardless of the confusing influence of what a detached observer opposed to Communism in his own country nevertheless feels to be something amounting to hysteria on the subject of Communism in certain quarters in the United States. The impression of readiness of Americans to accept rational leadership in foreign policy also holds despite the uneasiness which a dispassionate observer must express at the persistence of something of the old isolationism in different places visited, notably in Chicago.

A foreigner who returns after ten years to a daily diet not only of the editorials and cartoons, but also of the emotive and tendentious news columns of the well turned-out Chicago Daily Tribune is at first inclined to feel that things are, if anything, worse in Chicago in 1950 than they were in 1940. He misses the relief of being able to turn to the well-informed international news and comment of the Chicago Daily News as it was under the proprietorship of Colonel Knox, with Carroll Binder as its foreign editor. In the tabloid Sun-Times, the visitor finds some balanced presentation, but he wonders whether many besides himself bother to sift through the many pictures and advertisements to find the grains of corrective information and comment.

Chicago residents seem less perturbed. Many of them are inclined to laugh off the Tribune. "People buy it for its 'funnies' and its good sporting pages; they've learnt to ignore its politics," said one college professor. "The Tribune tells people to vote one way; they generally do the opposite," said a confident A.F. of L. electioneering spokesman. Certainly, any ordinary citizen who bothered to tune-in to one of Colonel McCormick's regular personal broadcasts could scarcely fail to react in some such fashion. The writer regrets that he was unable to inform himself of the Colonel's views at first hand. A personal letter requesting an audience not having been acknowledged, the attempt was made to use the radio as a substitute. It was entirely unsuccessful. The appallingly bad radio voice and the long pauses as the speaker seemed to be fumbling for a missing page in his script must have exasperated the most patient listener and would certainly have ensured prompt termination of the engagement by any independent broadcasting station.

Colonel McCormick nevertheless rules the *Tribune* and the *Tribune* still churns out its daily mixture of anti-liberal, anti-British, anti-Democrat, anti-Communist invective and something like a million men and women in Illinois and neighbouring states read its news and comment or no other. On the least harmful estimate—as even a scornful C.I.O. leader admitted—the *Tribune* provieds a rallying cry for the old isolationists. At its worst, it is in danger of transforming some of the old isolationism into a cheap, emotional, aggressive American national sentiment by exploiting the predominant post-war strength of the United States and the widespread opposition to "communism" at home and abroad. One aspect of this neo-isolationism is a chauvinistic policy in the Pacific, regardless of the sentiments or convictions of other governments or people in Asia or in the British commonwealth.

While no outside observer could pretend to assess the strength of the Tribune's active supporters, it was possible to detect powerful forces now working against it in its own domain. Amongst these, prominent place should be given to the organised labour movement. Both A.F. of L. and C.I.O. leaders spoke frankly of the extent of the local collaboration between them in the political field since 1946. This increase in organised labour's political activity over the decade 1940-50 is one of the outstanding impressions which a visiting investigator takes away with him. Impressive, too, is the evidence that in the field of international policy this influence has been for responsible collaboration and against the isolationism which formerly had powerful strongholds in the A.F. of L. craft unions of the Middle West. (It should be noted in passing, however that frank labour leaders admitted that trade union political activity was more vigorous in the upper levels of the movement and had not sunk very deep among rank-and-file members. This qualification to both C.I.O. and A.F. of L. political activity helps to explain the relative failure of the joint efforts of the two labour organisations in the 1950 Congressional elections, at a time when the ordinary trade union member was not deeply concerned about any threat to his existing economic or social privileges.)

There were also encouraging reports in rural areas visited. The Middle West farmer, it was said both in Iowa City and Des Moines, has a steadily increasing appreciation of the importance for him of stable conditions outside the United States. The appreciation probably stems immediately from his dependence on world markets, but it has been strengthened by knowledge gained during World War II and from such subsequent incidents as the Flying Farmers' visit to western Europe to examine conditions for them-

selves. The personal testimony of the Flying Farmers was said to have meant more in the rural areas of Iowa than all the editorials in the Chicago *Tribune*.

When the question was asked whether Iowan farmers took much interest in the Pacific, it was at once admitted that they knew much less, and cared less, about Asia than Europe. An agricultural editor nevertheless made one significant comment: "I guess the farmers of this State don't know too much about the finer issues of policy across the Pacific, but they can show surprising interest in any overseas question which touches their occupational or traditional interest in land holding." He went on to say that he had heard much criitcism among farmers of both Chiang Kai-shek and Syngman Rhee for failure to introduce adequate land reforms in their respective territories. (In the light of this statement, the passage in President Truman's San Francisco speech a week later, on his return from the Wake Island interview with General Mac-Arthur, in which he referred to the family farm unit as an objective of American policy at home and overseas seemed to have a special significance. It read as though the President from Missouri had Middle West farmers in his mind as well as Democratic protagonists in the Pacific Coast domestic controversy regarding the 160-acre limitation on reclamation.) The Iowan editor followed up his remark with the comment: "My hunch is that Colonel McCormick or General MacArthur would have a hard time persuading Iowan farmers to give money, arms or men to help Chiang Kai-shek to force himself back on the mainland of China."

There can be no doubt that the attitude of the ordinary American on Pacific questions has been greatly affected by the war in Korea. One of the war's by-products has been a new and active interest in the proceedings of the United Nations. Television and the Korean War appear to have brought the United Nations home to the American people in the strictly literal sense of the phrase.

"Boy, oh boy," said a casual acquaintance in a New York coffee shop at the end of August, "did I enjoy watching Gladwyn Jebb trouncing Malik yesterday!" An attractive partner at an official luncheon a few days later severely dented an Australian ego by remarking half-way through lunch that she was "simply dying" to get home to see how things were going at the Security Council. Some weeks later a C.I.O. leader in Los Angeles was discussing the interest of rank-and-file trade unionists in world affairs. "Don't kid yourself," he said, "our members are still very much more interested in wages and local politics than in international affairs. But at

least they know they're in world politics. And they know a bit more about the game than they used to. They know Mr. Malik, anyway. They've seen him and they've heard him."

The same point was to be made in rather different fashion by a San Francisco shipping magnate. "Thank God, the United Nations was set up in America," was his way of putting it. "This has given the American people first-hand experience of what the Russians are after and what sort of fellows these Russian communists are to deal with." He added: "I don't think the American people would have gotten behind President Truman over Korea if the United Nations organisation hadn't been in the United States."

It may be that the argument of the preceding paragraphs can be carried still further. There does seem to have been a widespread change in attitude towards the United Nations. Instead of regarding it as a mere talking shop, many Americans appear to see in it the place where the United States Government can get things done, with the co-operation of other governments and with the approval of public opinion throughout the world.

This last impression may have special significance for those members of policy-making and policy-influencing groups inside and outside the State Department who are aware of the serious limits which may be set to effective co-operation by the peoples of other democracies unless existing suspicions of American "imperialism" can be countered. One way of lulling those suspicions is felt to be by increased reliance on the United Nations and the use of its authority to cover action — over Formosa, for example — which might otherwise lay the United States open to liberal as well as left wing suspicions in friendly countries overseas.

It is not desired to press this argument too far. Observations suggest that most Americans are as yet unaware of the extent of the danger mentioned, that they are only vaguely annoyed by suggestions, from India or elsewhere, that the presence in other countries of American money, American armaments and American troops connotes United States imperialism. They seem quite sincere in their assumption of external acceptance of the moral rectitude of United States foreign policy, even though this may seem a little naive to an external observer who recalls the ease and vigour with which the same Americans denounced European imperialism in Asia or Africa a mere decade ago.

But neither Rome nor nationwide appreciation of all that is involved in world leadership could be built in a day. The amazing thing to a foreign observer is that so much has been built in the

United States in the decade between 1940 and 1950. The writer's abiding impressions at the end of his hurried survey are those which struck him first—the extent to which the American people have accepted the post-war international responsibilities of their country and the absence of any enthusiastic and self-righteous sense of mission accompanying that acceptance.

This report may perhaps fitly conclude by citing the serio-comic highlight in the ten weeks' search for information. It took the form of a conversation in the washroom of a crowded Rock Island coach from Chicago to Iowa City, between two non-commissioned officers in uniform. The pair entertained themselves and their fellow occupants of the washroom by detached but pithy comment on the shortcomings, not only of the President of the United States and his Secretary of State, but also of their leading Republican opponents. One criticism capped another until, finally, the older of the two men got up and reached for his grip. "Well, Bud," he said, "I guess we've got to see it through just the same."

Australian Opinion and the G.A.T.T.

R. F. Holder.*

Amid the wealth of subjects which have been discussed since the war at international conferences, world trade has occupied a prominent place. Even in the two decades following the first world war the diminishing volume of world trade caused by economic disequilibrium and the pursuit of autarky had aroused concern for the chances of promoting rising standards of welfare. The close partnership of wartime alliance, it was hoped, would break the deadlocks which had dogged previous efforts to restore a greater degree of freedom of trade and would encourage co-operative measures to remove much of the burden of tariff barriers and discriminatory practices.

To this task, as to those of a more political nature, the free nations pledged themselves at least in general principle, but as the post-war world unrolled, the fine hopes of wartime became clouded by doubts, difficulties, and misunderstandings. Achievement of only part of the objectives was found to require some sacrifice of national interest, and governments, faced with opposition from sections of their own people, proved reluctant to commit themselves irretrievably to make concessions for somewhat uncertain gains. Thus in the sphere of world trade, the one achievement in operation is the General Agreement on Trade and Tariffs. But this Agreement is still only of a provisional character, and must run the gauntlet of criticism and opposition from powerful interests within its signatory countries.

In all the trade discussions the Commonwealth Government played a prominent part out of regard for the importance of international trade to her domestic economy and the place of tariff protection and tariff preferences in the development of secondary industry and the smaller primary industries. Action was initiated at the official level, and it was only when the official approach

Any views expressed are those of the author and do not necessarily reflect those of the institution with which he is connected.

had been charted that the opinions and views of interested parties showed any sign of crystallizing. For the most part, public opinion in the wider sense was bemused by the complicated skein of discussions and their technical nature.

The purpose of this paper is to attempt a review of attitudes in Australia towards the General Agreement on Trade and Tariffs. This will involve perhaps occasional digression into other related subjects, such as the Charter for the International Trade Organization. But first of all, it is necessary to sort out the various strands making up the pattern of post-war international trade policy.

I.

The initiative had all along been taken by the United States Administration, which in 1945 obtained the United Kingdom's support, as a condition of the Washington Loan Agreement, for a trade conference to discuss a series of principles intended as a guide to trade practice. At this point the Economic and Social Council of the United Nations took over the responsibility and resolved to call a full United Nations Conference on Trade and Employment. A preparatory committee met in London in October, 1946, and again in Geneva commencing in April, 1947. In brief, the United States purpose was to remove restrictions on trade and to encourage the maximum movement of goods within a low tariff club. Australia, on the other hand, pressed the thesis that had been urged by her representatives at other international conferences and which had been formulated by the economists of the Department of Post-War Reconstruction. Opposing the major significance attached by the Americans purely to tariff reductions and the removal of other trade barriers, they presented the view that trade would expand only if effective demand could be maintained in the principal countries of the world, and in particular in the United States. The Australian representatives therefore sought to strengthen the obligations of participating countries to pursue domestic policies of full employment.

The work of the Geneva Conference proceeded on two related but quite distinct lines. In the first place the countries representatives continued to hammer out a draft charter for an International Trade Organization, which was finally agreed on at a United Nations Conference on Trade and Employment at Havana in March, 1948. Secondly, the Conference sponsored tariff negotiations between its nineteen member countries together with a number of others which had close economic ties with them, as a means of taking immediate and specific steps to reduce tariff barriers. From this series of numerous and complicated negotiations there emerged the General Agreement on Trade and Tariffs, which was signed on October 30, 1947. In order to bring the Agreement (G.A.T.T.) into effect, the 23 participating governments signed a Proctocol of Provisional Application, by which they agreed to apply the tariff concessions and to conform to certain principles of commercial policy as fully as possible.

The two lines of activity, the trade charter and the tariff agreement, were closely related, but the distinctions between them need to be kept clear. In effect, the G.A.T.T. was intended as a short-term agreement, first for protecting the tariff concessions granted by the contracting parties, and secondly for laying down certain rules to regulate normal commercial relations without waiting for final ratification and establishment of an International Trade Organization.

In its first part the Agreement set out schedules of the tariff reductions agreed to by each participating country, and contained an undertaking to extend most-favoured-nation treatment to all parties to the agreement. At the same time, it offered formal protection to all tariff preferences as laid down in the schedules. The second part covered principles of trade policy, including measures designed to prevent the tariff concessions agreed upon from being offset by other protective devices. This part contains no significant changes from normal Australian practice, but it is important because it recognized the right of the countries concerned to impose import restrictions to protect the balance of payments, to preserve or establish stabilization schemes for primary products, and to take emergency action if any industry was endangered by any tariff or preference reduction.

The G.A.T.T. is not a charter but a multilateral trade agreement; its rules for commercial behaviour were incorporated in the Havana Charter and would be superseded by that document when or if the latter was effectively ratified and the I.T.O. established. But this is now unlikely. As the United States Administration has decided not to re-submit the Charter to Congress for ratification, the establishment of I.T.O. and the operation of the Charter must be considered as indefinitely postponed and most probably dead.

To bring the story of G.A.T.T. up to date: at Annecy in 1949 another ten countries negotiated concessions with existing signatories, and then seven more countries joined in a fresh series of negotiations which commenced at Torquay in September, 1950,

and are still proceeding. At the latter talks the whole operation of the agreement was reviewed and it was agreed that the life of the concessions should be extended for another three years until January 1, 1954.

II.

Any attempt to improve the volume of world trade was a matter of national self-interest to Australia; moreover, there was a strong moral obligation to participate in trade discussions by virtue of Australia's acceptance during the war of the Mutual Aid Agreement, a point which was strongly upheld in Parliament by Mr. Chifley. But apart from general interest, Australia had a very particular interest from the outset in the proposals put forward for discussion. Briefly, it may be summed up under the following heads.

(1) As a member of the British Commonwealth, Australia felt obliged by her ties of kinship as well as by her self-interest to stand by the United Kingdom in the period of her economic distress.

(2) Through the same membership, Australia was a party to imperial preference arrangements which gave her important advantages in Britain and in other Dominion markets. It was considered that the American proposals suggesting that preferences should be abandoned in a liberal trading system would, if accepted, spell the doom of certain Australian industries, in the development of which soldier settlement after the first world war had played a large part.

(3) The United Kingdom was still the largest market for Australian commodities and the chief source of her import requirements. But fears had been felt that Britain might not be so good a customer in future, and it was therefore time to explore other

possibilities which tariff reductions might open up.

(4) In domestic policy Australia was wedded to tariff protection to establish and protect secondary industries regarded as essential

to a balanced economy.

(5) Because of the economy's past susceptibility to fluctuations in world prices for primary commodities, Australia had sought to promote marketing schemes to stabilize farm incomes. She had arranged bulk contracts for the sale of primary products to the United Kingdom and was interested in the chances of negotiating international commodity agreements.

With these guiding principles Australia went to Geneva in the hope that the United States would be prepared to scale down her tariff barriers and increase the opportunities for other countries to sell to her. In addition, the conference presented a further opportunity for the Commonwealth Government to obtain recognition of the obligation of each country to promote full employment, but this wider economic problem became part of the Trade Charter debates and parted company from the tariff negotiations.

The Commonwealth Government recognized that in order to claim tariff concessions elsewhere, it would have to be prepared to grant reciprocal tariff concessions to other countries. But at Geneva, Australia was not alone in having plans for continuing wartime industrial expansion, if necessary under tariff protection. The Commonwealth Government therefore was supported by likeminded countries such as India in pressing for the inclusion of provisions in a final agreement designed to preserve freedom of action to pursue such aims. Nevertheless, in a cautious fashion the Tariff Board's annual report for 1945/46 suggested that Australia might be able to offer reductions of duties over a range of British goods without in any way endangering the industrial structure.

The tariff concessions embodied in the schedules of the G.A.T.T. affected an extremely wide range of items of trade in which Australia is interested. Concessions favouring Australian exports in oversea markets took the form of actual reductions in rates of duty or the binding of existing rates against any new increase. The changes affected almost all of the principal commodities exported from Australia. On the other hand, Australia was obliged to make some concessions to other countries selling to her, either by concurring in the reduction of certain preferences enjoyed in Empire markets, or by reducing or binding certain rates of duty in the Australian tariff.

The advantages sought by Australia mainly concerned the chief primary industries, and the greatest hopes were pinned on obtaining important reductions in the American tariff. The biggest concession was the United States agreement to reduce the duty on fine wools by 25%, from 34 cents to 25½ cents per lb., for at one stage a complete breakdown of the conference was threatened when American woolgrowers prevailed on Congress to raise rather than lower the duty. Other potential benefits included a 50% reduction in the American tariff on beef, lamb, mutton, and butter, the latter being subject to a seasonal quota, the binding of free entry for rabbit, sheep and other skins, and a reduction or binding against increase of duties on certain metals and ores, which were a valuable

^{1.} Tariff Board: Annual Report for year ended 30th June, 1946, p. 23.

secondary source of dollar income. From other countries Australia gained small advantages in reductions or binding of duties or binding of free entry from the United Kingdom and Continental countries.

In return, the United States asked for a reduction or binding of duties on about 150 items or sub-items in the Australian tariff. Most of the concessions were individually small, but they covered a wide field. Margins of preference in the Australian tariff were also affected, but only in a very few cases were they substantial. Rather more important for Australia's interests was the reduction in margins of preference enjoyed by Australian dried and canned fruits, honey, and other minor items in the United Kingdom, Canada, and New Zealand. The proportion of trade affected—on pre-war figures only 7.6% of Australian exports to the United Kingdom on which preferences were granted—was not large but it would be very important to the Australian industries involved. Whether any changes are made in these concessions will depend on the outcome of the Torquay negotiations.

III.

It is not yet possible to pass judgment on the effects of the G.A.T.T. on Australia because it has operated only in the exceptional circumstances of currency difficulties and balance of payments problems when multilateralism was not possible. Moreover, the practical importance of tariff reductions while goods are scarce and trade is hampered by exchange difficulties is relatively small. In the circumstances, it is easy to exaggerate the importance of the G.A.T.T. Aggregate tariff reductions were small in relation to the height of tariff walls, and while the actual progress in lowering tariffs could not be ignored, the significance of the agreement lay in the precedent it created.² That significance has been variously interpreted in Australia. Reception of the agreement varied from mildly favourable to downright critical, and subsequent developments, particularly the onset of the Torquay conference, have added to the critical, rather than to the favourable, comment.

One of the Chifley Government's principal hopes of the tariff talks was not the expectation that a strong and effective world system would evolve, but that Australia would be able to gain worthwhile concessions from the United States which would open up the American market to more Australian primary products. Representatives of the main primary industries—wool, meat, and

^{2. &}quot;International Trade Discussions" (Australian Outlook, March, 1948).

dairying — expressed great satisfaction with the agreement, but were perhaps optimistic of its benefits to them. The 25% reduction in duty on wool was regarded as the greatest single achievement giving hope of a "sound and regular demand by the United States for Australian wool". In expressing this view the Chairman of the Australian Wool Board thought that the change would cheapen woollen textiles in America and lead to a greater consumption of them.³ The agreement was made at a period when United States wool buying had slackened off because of rising prices. Subsequent events have shown that the tariff reduction has made no appreciable difference to American purchases.

Expectations from the American reduction by 50% in duties on beef, mutton and lamb were much more remote than was the hope for wool. The Chairman of the Australian Meat Board, Mr. J. L. Shute, and graziers' representatives felt encouraged by the chances of competing in the American market to advocate pressing on with long-range plans for expanding beef and lamb production,4 and since that date small experimental shipments of meat have been made to America. But outwardly at least hopes of exploiting the large possibilities of the American market appear to have been superseded by the prospect of a fifteen-year agreement with the United Kingdom and by the immediate difficulties of maintaining exports while the domestic market is expanding so rapidly. A similar prospect was opened up for butter exports. It was felt that the reduction in the American duty was potentially advantageous to Australia, but that there was no opportunity of capitalizing it while domestic production lagged and existing contracts were difficult to fulfil. That this state of opinion has not substantially changed seems evident from the absence of comment from these primary industries in the Torquay negotiations.

As compared with the potential benefits to the larger primary industries, a number of the smaller industries were perturbed by the G.A.T.T. and have regarded the Government's subsequent adherence to the agreement with considerable apprehension. The sugar industry, for example, was quick to defend its claims for special consideration on the grounds of its political, social and strategic value to Australia. Its fears, however, rested more on the attempt to draw up principles for international commodity agreements which might disturb the embargo on sugar imports into Australia than on any tariff reductions actually made. Nevertheless,

Sydney Morning Herald, 19/11/47.
 Sydney Morning Herald, 19/11/47.

^{5.} The Australian Sugar Journal, December 15, 1947.

sugar producers retain their suspicions that the preferences enjoyed in the United Kingdom and Canadian markets, one of the main pillars of the industry, may be interfered with by the "cumbersome and academic approach to world trade problems" implicit in the Geneva agreement and subsequent discussions.⁶

If the sugar industry was afraid of losing its preferential entry into certain markets, the dried fruits and canned fruits industries had more reason to fear the American attack on imperial preference. The existence of these industries is largely dependent on preferences, and the reduction of margins in Britain, Canada, and New Zealand, although small, was seen as a threat to the future of many of the soldier settlement areas deriving their income from these products. But as with the benefits of the G.A.T.T., so with its disadvantages; abnormal trading conditions have had as yet none of their anticipated effects. While this was recognized, the Dried Fruits Control Board submitted a memorandum to the Department of Commerce and Agriculture on the subject of the Torquay Conference, in which it pointed out strongly that further reduction in preferences on dried fruits would make returns to growers unpayable, and that but for the bulk purchase contract with the United Kingdom, Australia could not compete with California at the present preference margin.7

The canned fruits industry, through the Australian Canned Fruits Board, also expressed disapproval of the tariff agreement and of subsequent negotiations. It pointed out the apparent inconsistency that the Government appeared to be sponsoring an expansion of the fruit-processing industry, though there was no evidence that at the reduced preferential tariff margins an increased exportable surplus could be satisfactorily marketed.⁸ Since the agreement has been in operation, the canners have found nothing to calm their fears. In its most recent report the Canned Fruits Board declared that preferences have been one of the mainstays of the industry and if they are whittled away, the "white-anting" will provoke a crisis in the industry.⁹ The Australian Wine Board has similarly expressed the view that Australia's continued adherence to the G.A.T.T. would not be in the best interests of the industry.¹⁰

^{6.} id. August 15, 1950

^{7.} Commonwealth Dried Fruits Control Board, Annual Report 1949/50, pp. 7-9.

^{8.} Australian Canned Fruits Board, Annual Report, 1947/48, p. 15.

^{9.} id. Annual Report, 1949/50, p. 17.

^{10.} Australian Wine Board, Annual Report, 1949/50, p. 4.

Among the concessions made by Australia at Geneva, a number of them inevitably related to the level of duties on manufactured goods imported into Australia. They consisted of reductions in Australian tariff rates, additions to the list of items placed on the Intermediate Tariff by virtue of the automatic operation of the most-favoured-nation procedure, and the removal of primage on items on which concessions were negotiated. The latter at least scaled down one anomaly, for primage was levied originally during the depression for revenue purposes, but remained as a fortuitous aid to local industry. Its removal performed a task frequently urged by the Tariff Board.

Changes in the Australian tariff were made largely at the request of the United States, and covered a wide range of manufactured and unmanufactured products normally imported from that country, including motor chassis, lubricating oils and petrol, tobacco, machines and machinery, timber, textiles, paper and industrial chemicals. On a number of items existing rates of duty were bound against increase, the principal example being tobacco, the duty on which is an important source of revenue. For this reason the Commonwealth Government took the view that no concession other than binding of the duty was justified.

For the benefit of the United States and other manufacturing countries, the Commonwealth Government also allowed reductions in preferential margins accorded to the United Kingdom and Canada on some items in which Australia was not interested as either a producer or manufacturer. Such concessions were made with the concurrence of those two countries. Thus preference margins on motor vehicle chassis and certain motor body panels in favour of the United Kingdom and Canada were reduced to give the United States the opportunity to maintain a pre-war volume of exports to Australia. The benefit was thought to be a diminishing one in view of the plans for automobile production in Australia. The tariff levels were not bound, leaving Australia free to raise duties if it was found necessary to protect manufacturers. Similarly margins of preference on such goods as typewriters, adding and computing machines, and cash registers were also reduced.

In announcing the agreement to Parliament, Mr. Dedman expressed the Government's view that the tariff reductions would not result in any substantial increase in imports in competition with Australian manufactures, and where an increase did occur, it would be absorbed by the greater demand prevailing in this country.

Moreover, he added that the lower duties would tend to reduce prices and thus assist in offsetting the inflationary tendencies of high cost imports of capital goods. On the whole, the concessions were felt to be well within the capacity of Australian industry to withstand, particularly at the time when the Australian price level was still comparatively favourable and a degree of protection was afforded by high freight rates and other charges. 11 But manufacturing interests expressed immediate disapproval, and ever since the Associated Chambers of Manufactures, mainly through their Director, Mr. Latham Withall, have maintained a barrage of opposition which has often been extravagant, if not entirely illogical.

In its general aspects, the opposition of manufacturers to the tariff agreement was governed by possible repercussions on industrial expansion, economic development, and defence potential. Thus Sir Norman Brookes at the last annual meeting of the Australian Paper Manufacturers Ltd. spoke of a general tariff reduction as possibly an admirable ideal, but full of menaces for a country rapidly expanding its population. 12 Sir Alexander Stewart, Chairman of Dunlop Rubber (Australia) Ltd., also considered that the method of bargaining and the fixing of concessions for a period might endanger the stability of industries essential to the defence potential of Australia.13 Both of these gentlemen pointed to the loss of protection for their products brought about by the G.A.T.T. combined with the factors in Australia which have led to rapidly rising costs.

An important point of criticism was the fixed nature of the concessions. The manufacturers have expressed concern that the agreement is such that great damage could be done to the economy before remedial measures could be taken. The binding of tariffs against increase, for example, according to Mr. Latham Withall, would take away the right of Australia to protect herself against depression or unemployment or exchange variations.14 The same indefatigable campaigner on other occasions has taken a strong line expressing the view that the international approach of the tariff negotiations and the provisions of commercial policy calling for equal access to markets would lead to dumping and a reduction in living standards. Perhaps surprisingly, no general expression of opinion has come from the trade unions, which would most likely have been severely critical, in spite of loyalty to official Labour

Associated Chambers of Commerce: Canberra Comments, 19/2/48.
 Melbourne Argus, 30/9/50.

^{13.} Jobson's Investment Digest, 9/11/50.

^{14.} Adelaide Advertiser, 31/5/50.

Government policy, if they felt that tariff reductions entailed a danger to employment and the standard of living.

The Associated Chambers of Manufactures have opposed the continued participation of Australia on several occasions. Their attitude was well illustrated in a telegram to the Prime Minister on May 30, 1950, which emphasized that the agreement threatened the extinction of many industries. It therefore urged the Government to withdraw from the agreement and to revert to the Ottawa trade pact, reciprocal agreements with other countries and the Tariff Board procedures.¹⁵ It is fitting here to remark that they ignored the existence of safeguards in the G.A.T.T. against an increase in imports which threatened serious injury to an industry, and the provision for withdrawal on 60 days' notice.

Most of the criticisms expressed by the Associated Chambers of Manufactures have been made in very general terms, and they express fears for the future of their own industries and the economy as a whole. It is not the function of this paper to assess whether such fears are well founded or not. But it may be recalled that similar views were held in opposition to the Ottawa Agreement in the 'thirties. In a letter to the then Prime Minister in 1932,16 the Associated Chambers considered it a retrograde step to restrict the right of Parliament for five years to fix any duty which might have been necessary to protect Australian industries, and went on to say that it was essential to Australian development that permanent protective duties should be adequate to guarantee practically the whole of the home market to local manufacturers. Later, in 1935, they protested again that the Government's policy must "inevitably restrict internal industrial enterprise and reduce the opportunities for employment of our own people."17 Ottawa did not bring about such calamitous results.

The Associated Chambers seemed on firmer ground when they accused the Government of taking part at Torquay in discussions affecting industry without allowing manufacturers to be represented by advisers, and also when they referred to the changes in Tariff Board procedure.¹⁸ The tariff agreement limits the scope of the Tariff Board in considering publicly requests for protection, and in its own opinion it has also presented evidence of conflict between preference margins under the Ottawa Agreement and most-

^{15.} Text in Industrial Victoria, July 1950, p. 208.

^{16.} Quoted in Copland and Janes: Australian Trade Policy, p. 80.

^{17.} id. p. 95.

e.g. Address of the President of the Associated Chambers of Manufactures at the Annual Meeting, reported in S.M.H., 4/8/50.

favoured-nation duties applicable under the G.A.T.T.¹⁹ But the Board has reported as yet no harmful effects on Australian industry as a result of the tariff agreement.

The final criticism raised by manufacturers has provided ample debating ground for politicians. It is to the effect that by its decision to adhere to the tariff agreement, Australia surrendered her fiscal autonomy and handed over control of her future development to an international organization. Thus the Associated Chambers resolved at its Annual Conference in 1948 that participation was "a complete abrogation of Australia's sovereign rights to manage its own affairs". 20 Such charges are unduly exaggerated, since the General Agreement has set up no executive or supra-national organization like the Security Council or General Assembly of the United Nations. But incidents such as the International Monetary Fund's report at the Torquay Conference, to the effect that if sterling balances were made convertible Australia and other sterling area countries would be able to relax import controls, imply interference with national policy and give support to those who are opposed to adherence to the G.A.T.T.

V.

The attitudes of the politicians to the General Agreement have been hedged about by many hesitations. The political parties to a greater or lesser degree are all committed to the development of Australian secondary industry, if necessary by tariff assistance. At the same time they are obliged to recognize the inevitability of some kind of multilateral approach to the problems of world trade. Since the Labour Party was in power at the time of the earlier negotiations it had to accept the responsibility for defining a positive approach to international co-operation which was bound to run the gauntlet of both the Opposition parties and the more isolationist sections of its own supporters.

There is some truth in the accusation of Mr. J. T. Lang that the principal supporters of the approach to world trade problems reflected in the G.A.T.T. were the departmental experts.²¹ On the other hand, it was perfectly logical for the Labour Government to participate in the formative discussions just as for the present Government to join in the Torquay negotiations. Neither was convinced that tariff bargaining was a final solution to trade problems, but they could not afford to neglect opportunities for gain-

^{19.} The Tariff Board, Annual Report for year ended June 30, 1949, p. 31.

^{20.} Quoted in Hansard, 24/11/48, p. 3.

^{21.} Century, 4/8/50.

ing tariff benefits by refusing to join in the talks. Mr. Dedman expressed his Government's attitude by saying that the Commonwealth Government, while believing in the reduction of tariff barriers, thought them insufficient and therefore sought to impose comprehensive obligations for the maintenance of employment throughout the world.²² In the parliamentary debate three months later, Mr. Chifley defended the concessions made at Geneva partly on the grounds that they were an almost necessary preliminary to American economic aid to the less fortunate countries, including the United Kingdom. Labour members generally followed the line of their leaders, although it is probable that there were many differences of opinion within Cabinet and Caucus. It will be recalled that some sections of the Labour Party strongly opposed Australian membership of the International Monetary Fund by reason of a similar supposed loss of sovereignty.

The Opposition was less inhibited in its criticism of the G.A.T.T. and trade discussions generally. Most Opposition members expressed strongly their fears that the Government had bargained away the benefits of imperial preference for the doubtful prospects of freer access to the American market. Country Party members in particular lent support to the protests of the smaller primary industries which were called on to accept reductions in margins of preference, arguing not on economic grounds but on the requirements of social policy and the maintenance of a rural population.23 Moreover, many members of both the Liberal and Country Parties expressed fear that the safe market of the United Kingdom might be endangered, while they believed that in prevailing uncertain conditions the development of stronger British Commonwealth links would offer better prospects in economic and trade matters, as in political affairs, than would a vague and semi-confident internationalism.

In the opinion of the Sydney Morning Herald, the debate on the G.A.T.T. provided an opportunity for a long overdue review of Australian tariff policy to bring it in line with post-war conditions.²⁴ In giving the agreement general approval, the newspaper criticized Opposition speakers for neglecting the occasion for such a review in favour of attacking the modest changes in imperial preference. This comment was well justified. In parliamentary debates on trade policy since the war there has been remarkably little discussion of the height of the Australian tariff. Protection to shelter

^{22.} Sydney Morning Herald, 2/12/47.

^{23.} e.g. Mr. McEwen, Hansard, 1/12/48, p. 3813.

^{24.} Sydney Morning Herald, 1/3/48.

the development of desirable industries is still accepted practice of the main parties, as the present Government gave ample illustration last year in taking steps to protect the rayon weaving industry. But there is no evidence that any deep thought has been given by either side of the House to the adequacy of existing tariffs or methods of fixing duties, though the Tariff Board is aware of the problem. On one occasion Mr. Fadden sought to provide for public Tariff Board enquiries instead of departmental representations on any proposed changes under the G.A.T.T.,25 but nothing further was heard of it.

After the Opposition parties had been critical of the tariff agreement, they had to decide, when in power, whether to continue adherence to it. In the meantime many criticisms were either insufficiently proved or because of circumstances completely untested. Despite uncompromising opposition to some of the supposed intentions of the agreement, they decided to wait and see. Thus they took over the policy left by the Labour Government and decided to take part in the Torquay talks. In his official explanation of the Government's decision, Mr. Fadden, who was then Acting Prime Minister, said it was guided by the fact that the contracting parties of G.A.T.T. are traditional markets for 90% of Australian exports, and that all British countries would participate in the talks.26 These were compelling reasons, and have not committed the Government to any final decisions. It would have been foolish to cut adrift and go into voluntary isolation before hearing what the rest of the world had to say.

Many attacks have been made on Australian participation in the international trade arrangements on grounds that they involve a renunciation of sovereignty in economic affairs and a loss of the Commonwealth Government's power to determine its own policy. Such views have been expressed as indicated earlier by many interests as well as inside all political parties. Mr. Lang, for instance, with characteristic flamboyance, has spoken of the international machine which will "move in to crush all life out of Australia's right to determine its own economic destiny",27 and the present Minister for Trade and Customs, Senator O'Sullivan, when in opposition, said regarding the agreement: "We are proposing to hand over to a world organization in which we shall have a voice amounting only to a squeak, if any voice at all, the executive and legislative authority to determine what our fiscal policy shall be".28

^{25.} Hansard, 1/12/48, p. 3819.

^{26.} Current Notes on International Affairs, August 1950, p. 586.

Century, 4/8/50.
 Hansard, 7/12/48.

What has been done is nothing so drastic as such fears would indicate, not only because of Australian hesitation, but also because the rest of the world has not been willing to abandon the concept of nationalism in economic affairs for an internationalism which as yet has only theoretical justification.

In these discussions of Australia's part in trade organization, the general public has been bewildered and not a little exasperated. Neither hopes nor fears have been realized, for essentially the G.A.T.T. is a compromise. Intended as one step on the road towards a new code of multilateral trade, it has now become perhaps the final achievement, at least for a considerable time. The principle of tariff protection for developing industries appears to have been safeguarded and the preference system has been preserved to a considerable degree. The sacrifices of national interests have been minimized, but the advantages and disadvantages of the agreement are still in the future. Whatever is decided at the present juncture cannot have great practical significance while the world is in the grip of political uncertainty and insecurity. January, 1951.

India's Foreign Policy.

Dr. J. Leyser.

India achieved independence in August, 1947, and it is only from that time on that we can speak of a truly Indian foreign policy. The most remarkable feature of the brief history of this foreign policy is the high status it has gained in so short a time for India's voice in world affairs. This is, in my opinion, due to a number of reasons, the most important of which appear to be:

- (1) The freedom of action which India has maintained in international counsels—whether wisely or unwisely—as a consequence of its policy of avoiding any definite alignment either with the U.S. or with the Soviet bloc.
- (2) The special influence of India in all Asian affairs, owing to its position as one of the foremost—if not the foremost— Asian power; an influence which became of particular importance at a time when the rise of new nations in Asia made this continent one of the focal points of world politics.
- (3) The very great personal prestige enjoyed throughout the world by Pandit Nehru, the man who was one of the makers of modern India, and who has since attainment of independence been not only India's Prime Minister, but also its Minister for External Affairs, and, as such, the maker of India's foreign policy.

The past twelve months have witnessed a particular intensification of India's role in world politics. This followed the emergence of conflicts, yet unsolved, which have become serious threats to the peace in Asia: the delay in international recognition of the Peking government in China, the Korean conflict, and finally China's intervention in Korea against the U.N. forces.

The following brief study of India's foreign policy is based mainly on statements by Pandit Nehru himself, and by other Indian spokesmen, such as the President of the Republic, the President of the Indian Congress Party, and by Indian representatives at U.N. bodies. An outline of some general policy principles will be given first, followed by consideration of special policy topics.

1. General Policy Principles.

The first, formative years of the foreign policy of the newly independent India fell into a period of steadily worsening relations between the Western democracies led by the U.S., and the Soviet bloc. War between the two groups of nations appeared imminent on more than one occasion, and at the same time it appeared that such a war would spread to-if not originate in-Asia. It is against this background that what may be described as the two basic principles of India's foreign policy have to be viewed: firstly the pursuit of peace and avoidance of war as an aim in itself, and secondly India's non-alignment with any power group. According to statements made by Indian leaders, the two principles are considered as closely linked together. Indian leaders fear that by joining one of the two great power blocs. India would be less in a position to work effectively for the prevention of war. Speaking to the Indian Parliament last year, Pandit Nehru declared: "The supreme question today is how we can avoid war . . . I feel that we can play a big part, and maybe an effective part, in helping the avoidance of war." He continued that it followed naturally from that objective that India should not be linked up with one or the other group of powers "which for various reasons are full of fear and war and are preparing for it."

There have been numerous statements in clarification of the term "non-alignment with any of the power blocs." Non-alignment, so it has been stated, is neither neutrality nor isolationism. Thus, speaking to Parliament (4/8/50), Nehru said "it was wrong to say India would follow a neutral policy. Permanent neutrality would only mean permanent retirement from international affairs. The whole essence of India's policy was independence of action." And again, warning Parliament (17/7/5) against any desire to isolate themselves from the rest of the world: "this would merely mean cutting us away from the living current of the world and becoming static and stagnant."

In this form the avoidance of war and the non-alignment with a big-power group have found practically unanimous support as basic foreign policy principles by the Indian National Congress and the Indian Parliament.

There have been references by Indian leaders that the time may come when definite alignment can no longer be avoided. However, it is felt, this time has not come.

Although Nehru himself has stated that India may play an effective part in the preservation of peace, he has warned Indians not

to overrate the importance and strength of India. He has been emphatic in his insistence that India is not a military power, and does not want to be regarded as such. The reply he gave to a pressman in Jacarta last year seems to summarise Nehru's conception of India's role as a force for peace: "All our influence is on the moral plane." (But it should be remembered that the Indian Army is the biggest and best-equipped military force in South and South-East Asia, and that Indian armaments industries are the largest in Asia outside the Soviet Union.)

Nehru's belief in India's part in the preservation of peace may be traced back to the success story of the principles of non-violence in India's independence movement. But he and other Indian leaders are conscious that a long period of peace is a necessity for the successful growth of an independent, free and democratic India. The great economic and social works now undertaken in India would be jeopardised by war. For India war may mean famine and fatal delay in economic progress, with Communism a certain victor from the resultant discontent. Thus the pursuit of peace and avoidance of war assume a very practical aspect for Indian politics.

The actions taken by Indian delegates in U.N. bodies provide numerous examples of India's independent policy, aimed at overcoming the stalemate resulting from the formation of the world's two power blocs, the one dominated by the U.S. and the other by the Soviet Union. Of particular importance in this connection were India's attempts to obtain recognition of the Peking Government as that to represent China in the U.N. India led the fight of the Arab-Asian group of nations for a conciliatory settlement of the Korean issue with Peking without—as suggested by the U.S. branding Communist China as aggressor. And when this fight was lost, India was the sole major power outside the Soviet bloc to vote against the U.S. resolution. India was the only major world power to abstain from voting on the U.S.-sponsored plan which, in case of a deadlock in the Security Council, transfers to the U.N. General Assembly important powers for enforcing peace. The Indian delegate expressed his doubt of the legality of the plan, arguing that the new provisions would give rise to the impression that the U.N. was shifting its emphasis from peaceful conciliation to armed force.

2. India's Special Position in Asia.

Many times Indian leaders have asserted their country's special position concerning the problems of Asia. Two of these problems—those of China and Korea—which have led to serious international

crises, will be dealt with separately later. India's general attitude to Asian problems is best illustrated by Nehru's statement to the Indian Parliament (3/8/50) on the efforts to settle the Korean conflict, and the importance of admitting China to the U.N.:—
"India has a greater understanding of Asian problems than the countries of the Western world, and she is not to be swept away by the decisions of any power in such issues . . . The world has not grasped the mind and heart of Asia. It is unfortunate that vital decisions on Asia have been taken by the Western powers without due regard to the views of Asian peoples."

There has, however, been a change in the aspirations of Asian peoples since the time when India's foreign policy was first formulated. Then the emphasis was on the fight for "liberation" from the "colonial voke". Asian nationalism was then doubtless the most powerful force in Asian affairs, and India made itself a champion of the colonial peoples in their struggle for independence. Yet, since mid-1947, the political map of South and South-East Asia has changed greatly, mainly through a voluntary relinquishment of power by the colonial powers. Great Britain has granted independence not only to India and Pakistan, but also to Ceylon and Burma: The U.S.A. has given full independence to the Philippines. And the Netherlands, although not without reluctance, have handed over their Indonesian possessions to an indigenous Indonesian government. Thus, with the exception of Indo-China and Malaya, and some enclaves in India itself, the colonial powers have withdrawn from South and South-East Asia and have made it possible for national regimes to establish themselves.

Today India's attitude to the independence movements in the remaining pockets of colonial regimes in South and South-East Asia has become more detached. This is best illustrated by the patience shown to the French as well as to the Portuguese Governments with regard to the remnants of their old imperial possessions on the soil of India proper—such places as Goa and Pondicherry. The French have at least agreed to the principle of plebiscites to be held in their possessions in India, while the Portuguese—with no power to back itup—have adopted a 9th century attitude of colonial truculence. However, India's reaction has been marked by great restraint, obviously because it is realised that time is working for India in any case.

From a broader viewpoint, the emphasis of India's preoccupation with her position in Asia has shifted during the past few years from the all-out support of political independence movements to the planning and launching of schemes for economic development in South and South-East Asia.

The emphasis is less on nationalism today than on economic development. It is clear to Indian leaders that without a quick achievement of the latter, the former may be jeopardised.

3. Relations with China.

At Lake Success during the past year, India has been the fore-most champion, outside the Soviet bloc, for seating representatives of the Peking Government as representatives of China in the U.N. organisation. It was India which, through its embassy at Peking, kept in contact with the Chinese Government there and tried to work out an acceptable formula for the settling of the Korean conflict. India's eagerness in trying to bring Peking out of its Iron Curtain isolation has been subjected to much criticism in the Western world. Critics often overlook the special importance China has for India.

China and India are by far the two biggest countries in Asia, comprising between them more than a third of the world's population. Leaders in both countries have stated that they fully realise the importance of their relations. While China dominates East Asia, India dominates South Asia. They have only a short common border in North-east Assam. However, there is more than one area of potential conflict between them if China follows once more a policy of expansion as she has done in the past.

India did not rush into recognising the new 1:gime in Peking. The so-called Central People's Government of the People's Republic of China was set up by the Chinese Communists, in co-operation with other anti-Kuomintang liberal elements, on 1st October, 1949, after the Nationalist Kuomintang government had been driven from the Chinese mainland. The new Chinese government invited other governments to accord it recognition and to establish diplomatic relations on the basis of mutual respect for territorial integrity and sovereignty. The Indian Government recalled its ambassador to Nanking to make a personal report, while in the meantime consultations on the question of recognition went on with other Commonwealth governments.

Finally, the Indian Government announced its recognition of the new Peking Government on 30th December, 1949, and suggested the exchange of ambassadors between the two countries. It has since been made clear many times by Pandit Nehru and other Indian leaders that recognition of the Peking Government was decided not from a feeling of love for Communism, but because "facts must be recognised and policy should be adjusted accordingly". As Nehru told the Indian Parliament, "It was not a question of approving or disapproving the changes that had taken place. It was a question of recognising a major event in history and appreciating and dealing with it. The new government was a stable government, and there is no force likely to supplant it or push it away."

The fact that India is one of the few major powers outside the Soviet bloc with ambassadorial representation in Peking has given India a position of great importance with regard to China. As Nehru told a Paris audience some time ago (17/1/51/), "We have had a certain responsibility cast upon us by the fact that we are one of the very few countries that have diplomatic relations with China. We have become a window to the rest of the world in regard to China."

References to China by Indian leaders have been generally friendly. Indian Congress President Tandon recently referred, according to the All-India Radio report (20/9/50), to China, "in affectionate terms", and Nehru himself stressed on more than one occasion the 2000-year-old friendship between the two countries.

The Peking Government's decision in October last year to move forces into Tibet to "liberate" that country caused some ill feeling in New Delhi.

India sent a few notes to Peking and expressed "surprise and regret", while Peking reciprocated by referring to "foreign influences hostile to China" which had prevented a peaceful settlement of Tibet's future relations with Peking. Finally, in his report to the Indian Parliament in December last, Pandit Nehru reported that there had been no further advance of Chinese government troops towards Lhasa, and the Indian Government was trying to settle the whole question peacefully. India's argument throughout has been that China had suzerainty rights over Tibet, while Tibet was entitled to autonomy, but the practical working out of this state of affairs should be by negotiation, and not by military measures. Pandit Nehru has since made it clear (16/1/51) that India did not consider the occupation of Tibet by Chinese troops as a "military threat to India". India did not like the way in which it was being done, but did not propose to interfere. As Nehru added in conclusion: "In fact, she could not."

4. Korean Conflict.

Throughout the post-war years of Korea's division India had never given diplomatic recognition to Syngman Rhee's government in South Korea. It had made repeated efforts, especially in the U.N., to bring about an end to the division of the country whose continuation was recognised early as a constant threat to war. However, India accepted a seat on the U.N Korean Commission which supervised the holding of democratic elections in South Korea. The presence of its own delegate on the spot in Korea enabled the Indian Government to obtain a first-hand account of the actual happenings on June 24th when heavily equipped, armoured divisions from North Korea suddenly swept across the 38th parallel into South Korea; an event which Moscow and its satellites described to the world as a defensive move against an earlier South Korean attack. It was generally realised that India's support of the momentous Security Council resolution on June 27th was of extreme importance.

This resolution noted that an earlier call (of June 25th) on the North Korean Government to cease hostilities and withdraw its forces had not been obeyed, and it then called on all U.N. member states to furnish such assistance as may be necessary to repel the North Korean armed attack. The Indian delegate to the Security Council did not cast his vote at the crucial Council session because he felt he required special authority from his government. It has since been stated by Indian leaders repeatedly that there had been aggression in Korea — as Nehru told the Indian Parliament (7/7/50), "well-planned aggression" — that, however, India's primary consideration in supporting the Security Council's resolution had been to serve the cause of peace.

It is obviously with this aim in mind that Pandit Nehru early in July made his personal approaches to Stalin and Acheson with suggestions for a settlement of the Korean conflict in co-operation with the Peking Government whose admission to the U.N. would be a prerequisite for such a settlement.

India's independent policy in the Korean conflict became evident next when less than three months later U.N. armed forces had expelled the North Koreans from South Korea and the question arose whether U.N. forces should cross the 38th parallel into North Korea. Nehru then declared (30/9/50) that India was opposed to such action; the northern forces had been adequately defeated and every effort should now be made to bring the war in Korea to an end. Indian spokesmen have since revealed that the Indian ambas-

sador at Peking had been told by the Chinese quite frankly at the time that an advance across the 38th parallel and on to the Manchurian border would be considered by Peking as a threat to its own security, and that appropriate counter-action would be taken. However, India's advice was not taken, the 38th parallel was crossed, and U.N. forces advanced to the Manchurian border.

A few months later, when Chinese intervention had forced the U.N. troops back across the 38th parallel and further south, India was the leading figure in another move to settle the Korean conflict without too much loss of face for either side. I am referring to the Arab-Asian nations' proposal in the U.N. Political Committee. This suggested, instead of the U.S. procedure which began with the branding of China as an aggressor, a seven-nation conference (including both Communist China and the U.S.S.R.) on Far Eastern problems.

The Korean conflict has shown Indian foreign policy as active and resourceful in its attempts to lead to a peaceful settlement of a major conflict. It is not India's fault that its policy has not met with the desired success.

5. South-East Asia.

Nehru's tour of South-East Asian countries last year underlined the special interests of India in this area. Indian relations are particularly close with the Republic of Indonesia whose cause was sponsored by India—in those days jointly with Australia—in the difficult days of the Republic's struggle for liberation from Dutch colonial rule. India has also given its support to the Indonesian claim for Western New Guinea, although Nehru made it clear at the time (16/6/50) that this question would have to be settled peacefully between Indonesia and the Netherlands.

With regard to Malaya, Indian foreign policy has recognised the special racial and political problems of that country. During his visit in June last year, Nehru strongly condemned the activities of Malaya's terrorists. Their activities could not be tolerated he said. The strong Indian population in Malaya and the strategic position of that country as a gateway to the Indian Ocean give it a natural place of importance in Indian foreign policy.

There has been a certain change in Indian policy towards Indo-China. Early enthusiasm for Ho Chi Minh's movement has given way to an attitude of wait-and-see. There have been repeated statements by Nehru that India would at present recognise neither the Bao Dai regime nor the Ho Chi Minh regime. India would wait until the people themsleves had decided. Speaking in Paris recently (17/1/51), Nehru declared that even the new treaty with France did not give Bao Dai's regime real independence.

Suggestions for a South-East Asian or a Pacific Pact have met with little response from New Delhi. Replying to a question in the Indian Parliament (2/3/50), Pandit Nehru said that "it is not the policy of India to enter into any South-East Asian or Pacific Pact". However, India finally attended the Baguio Conference of South-Eastern countries last May, after the programme of discussions had been so greatly restricted as to question the value of the whole conference. There were no discussions on political or military matters, but merely half-hearted talks on possible cooperation in the economic, educational and social field.

6. Commonwealth Relations.

Although Indian policy has shown itself determined to build up an Indian state wholly according to its own design—a federal union, with a strong centre, and an elected president as its head—there has been a pronounced anxiety on the part of India to maintain the link with the Commonwealth. It will be remembered that a special conference of Commonwealth Prime Ministers met in London in April, 1949, to consider and evolve a new definition of the term "British Commonwealth" which would enable India to adopt for itself a Republican constitution and yet remain member of a Commonwealth held together by a common Crown.

There has been continuous evidence of consultations and cooperation with other Commonwealth countries, especially in regard to Asian affairs. One of the most successful examples of regional Commonwealth co-operation was the programme of Commonwealth economic aid to Burma which was largely due to India's initiative, a programme financed jointly by Britain, India, Pakistan and Ceylon.

Talking of India's voice in Commonwealth affairs, Nehru said in his report to the Indian Parliament on the recent Commonwealth Prime Ministers' conference (12/2/51): "It was natural that approaches of different countries represented should not be identical; to some extent each viewed these problems from a slightly different angle and perhaps emphasised some one aspect of them more than another. But I should like to make it clear that there was during these discussions a very large measure of community of approach and objective."

This community of approach and objective has perhaps been

most marked in the case of the U.K. Both India and Britain followed similar policies with regard to many Far Eastern questions, especially the recognition of the Peking government.

India's foreign policy has been least successful in the handling of its next-door neighbour and Commonwealth partner, Pakistan. It has, of course, to be realised that partition of the sub-continent created many tremendous problems, most of which have been overcome with little or no bloodshed. Pakistan, a country consisting of two halves separated by 1,000 miles, has come to stay. On the other hand, the fact that Pakistan is organising itself, in contrast to secular India, as a nation based on a state religion (Islam), has rendered the existence of the many mixed Hindu and Muslim settlements on the sub-continent more precarious.

The outbreak of armed conflict between the two sister nations has been restricted to Kashmir, the dispute over whose future has so far been unsolved. And yet, the Agreement between the two Prime Ministers on the question of minorities, which was concluded in New Delhi in April last, showed that even highly explosive situations between the two countries can be solved peacefully if both sides realise the urgency. In the long run both India and Pakistan will have to realize that they are jeopardising the successful development of their countries by sacrificing the major part of their budget expenditure or armaments designed to protect each one from the other.

India's relations with another neighbour which is also a Commonwealth member, Ceylon, have also not always been happy. This has been due to difficulties arising from the existence of a large Indian minority (over 10%) on the island. The Government of Ceylon passed legislation making the grant of full citizenship rights to Indian residents dependent on rigid qualifications as to length of residence and means of livelihood. There have been protracted negotiations between Colombo and New Delhi on amendments to that legislation, but so far the issue has not been settled.

The only other Commonwealth country with which Indian relations are somewhat strained is the Union of South Africa. The racial segregation policy introduced by the Malan Government has been denounced by the Indian Government as a serious threat to the Indian population in that country.

Indian relations with Australia have been friendly throughout. Australian foreign policy was closer in line with Indian foreign policy in the days when the Australian Government, on Dr. Evatt's advice, was the co-sponsor, together with the Indian government,

of the Indonesian Republic's cause before the U.N. However, there is no evidence of any change in India's attitude to Australia since the advent of the Menzies Government. In the handling of Australia's immigration policy, a source of potential friction has even been removed. As Pandit Nehru said recently, during Mr. Menzies' visit to New Delhi (27/12/50), India has sought the friendship of Australia. Geography, he reminded his audience, links Australia inevitably with Asia.

7. Conclusions.

In any review of India's foreign policy it is impossible to overlook the great personal influence of Pandit Nehru. The rare prestige he enjoys throughout the world has enabled him to take even unorthodox steps in pursuit of his policy which an ordinary Foreign Minister could or would not take. I am thinking, for instance, of the dispatch of his personal peace message to Russia and America last July.

And yet it would be misleading to assume that India's foreign policy is today a one-man policy. All aspects of that policy are regularly debated in the Indian Parliament and at the annual Congress Party meetings. There have been critics of this policy, especially among diehard Hindus of the Mahasabha Party, but majorities in favour of the government's policy have always been overwhelming in foreign policy debates.

The Implications of World Economic Development.

James McAuley.

I.

There is no doubt of the prestige attaching today to the idea of a systematic programme of world-wide economic development. Essentially it is a question of the fullest application to the countries called backward or undeveloped of the techniques of the more highly industrialized nations, and it may therefore be called a plan of industrialization, provided that the term is taken to mean assimilation to Western economic modes and not merely the creation of secondary industries. There is a democratic version and a Communist version of the theme. The most grandiose enunciation of the democratic version was President Truman's Point Four, although some of the European colonial powers might claim that they had already given a more realistic elaboration of the doctrine and its practical implications for a restricted field in their development and welfare policies. On the Communist side, it has long been the grand aim of policy to bring all peoples into equal participation in a world-wide industrial system. The chief differences between the two versions, apart from the role assigned to private enterprise, are that the Communists are convinced that such development involves a social and cultural transformation which can only be carried through by great rigour and violence; that they do not allow race prejudices to interfere with the evolution of their projects; and that, having realized the incompatability of industrial civilization with Christianity, Islam, Buddhism or other traditions, they have no compunction in hastening the obliteration of the latter. On these three points, opinion in the democracies remains confused and subject to ominous illusions.

In the undeveloped countries, the mass of the people can not be said to desire modernization or Westernization, although they have acquired a liking for some of our liberties and amenities. But their political leaders have a strong conviction that it is both possible and desirable to achieve economic parity with the West through

industrialization in the broad sense of the term; and they often display an intolerant attitude towards the traditional loyalties of their own people. Sutan Sjahrir was aware of this when he wrote¹: "Am I perhaps estranged from my people? Why am I vexed by the things that fill their lives, to which they are so attached? Why are things that contain beauty for them and arouse their gentler emotions only senseless and displeasing for me?" The leaders also believe that colonial status has been a main hindrance to economic progress, and that in the past democratic powers have been opposed to the development of their countries except in restricted spheres. It is obviously not diplomatically convenient under these circumstances for the democracies to appear hesitant in supporting economic development for Asia, Africa and other undeveloped areas.

But if the need for world-wide industrialization has become a political axiom it is not therefore well established from a theoretical point of view. When the ideology of world economic development is subjected to examination, and the means available collated with the ends proposed, serious doubts arise, the nature of which it is the intention of this article to indicate as succinctly as possible.

All these developmental policies appeal partly to national selfinterest and partly to some general or international interest. The countries offering assistance expect considerable economic as well as political benefits to accrue to themselves through the expansion of investment opportunities and the creation of new markets and sources of raw materials. Spokesmen feel that this is a legitimate consideration, which is even a sort of guarantee of the solidity and good sense of the scheme. To the recipient nations, however, the element of Western self-interest is a matter for deep suspicion, and they may feel absolved thereby from any obligation of gratitude. In addition, to the nationalists of the undeveloped countries the chief purpose of economic development is to increase national power rather than to increase the material well-being of the mass of the people; but this desire to arm nationalism with industrial power inspires uneasiness in other nations. The national or selfinterested aspect of these policies is therefore a source of division and misunderstanding.

The international aspect of declared aims offers a more harmonious view, at least at first sight. Economic development is presented as the foundation of a prosperous and peaceful world society. President Truman exactly expressed this article of faith when he

^{1.} Out of Exile, New York, 1949, p. 66.

said in relation to his Point Four, that 'greater production is the key to prosperity and peace'. With this belief is linked the hope that economic development will immunise countries outside the Russian sphere against Communist influence.

II.

Is there good reason for believing that economic development will bring material well-being to the peoples of the undeveloped countries? The uncertainties are much greater than is generally admitted. In the first place, one is confronted with the fact that the result of economic development in Asia and Africa so far has not been a general raising of living-standards; indeed many of the best-informed observers assert that there has been an extensive decline. It may still be true that further instalments of Westernization will correct this result, but it is certainly a matter that calls for the offering of reasons, not the repetition of a bare assertion. Some groups are inclined to write off the unsatisfactory result of development hitherto as a consequence of colonial imperialism, but this will evidently not do, since the result has been independent of the presence or absence of a colonial regime. Other groups ascribe the blame to capitalism as contrasted with socialism. This view can not be so easily dismissed, since none of these economies has been hitherto under a socialist system; but the chief causes of the failure of development to promote welfare seem to be independent alike of socialism and capitalism, since they have to do with defects in the actual physical environment, with the pressure of population on productive capacity, and with the difficulties of cultural adaptation to industrialism; and these causes will not rapidly disappear in the future. It should be pointed out in this connection that it is a matter of dispute whether the living-standards of the peoples of the Soviet Union have risen under industrial development, some observers asserting that there has been a decline since Tsarist days and others that there has been little or no advance.

Not much can be said in brief compass of the actual economic potentials of the undeveloped countries as measured by their phyiscal resources. These resources are not fully known; and any conclusions reached are subject to the emergence of fresh technological possibilities. Nevertheless it seems safe to say that many of these countries suffer serious disadvantages which make it extremely unwise for them to hope to emulate the more favoured industrial countries. The work of Gourou and others has made it impossible to go on treating the tropical zone, which encloses a very large

of the area under consideration, as potentially equivalent to the temperate zone and needing only industrial exploitation to support its population at a high standard of living. The danger is that the modest gains that might really be possible may be missed in the pursuit of inappropriate ambitions.

A much more widely discussed restraint upon the power of development to bring prosperity arises from the tendency of the population of many of the undeveloped countries to outrun productive capacity. In Asia the failure of Western technology to raise living standards has been principally ascribable to its concomitant stimulation of population growth. Nevertheless further industrialization is generally advanced as a solution. The argument is very unsatisfactory. It depends on the assertion that when living standards have been raised and the economic functions of the family changed by industrialism, restriction of families will set in to a degree sufficient to solve the problem. But in the first place, the grounds of this general prophecy are very insecure and demographers are becoming less willing to endorse it. In the second place, the solution does not meet the problem: higher living-standards are made dependent on population decline, while population decline is made dependent on higher living-standards. It is admitted that the first result of industrialization (on the same analogy with European experience) is likely to be a considerable further acceleration of population growth continuing over several decades at least. If this should happen in Asia, can it be safely assumed that industrial progress will nevertheless be enabled to continue until eventually the second period emerges in which living-standards are to go up and birth-rates down? There is no obvious reason for believing in this second period. Some writers create a purely verbal solution by saying that it will be necessary to make the industrialization process so rapid and thoroughgoing that production will keep pace with need; but one of the useful tasks that economists have performed is to scotch any idea of very rapid and spectacular transformation in the East, and their conclusions have been recently underlined by the meagre results that have flowed from President Truman's 'bold new programme'. For these and other more detailed reasons, while room may be found somehow for hope, there is none at all for the confident assertion that economic development will raise living-standards in the over-crowded regions, and there is some difficulty in believing that it will not lower them.

A third type of restraint upon the efficacy of development is universally important but perhaps most evident in such regions as Africa where uncivilized cultures have predominated. Peoples living in pre-industrial conditions do not easily become adapted to Western economic modes. This is so even in cases where there is some willingness to discard tradition and embrace Westernism; but mose of these peoples are attached only by certain superficial aspects of Western culture and do not wish to make the adjustments that they entail. It is, moreover, a familiar complaint of people concerned in fostering material progress in these countries that although the people have acquired certain money-wants and novel ambitions in contact with the Western economy, they are still shut away from the penetrating influence of modernism by the fact that they continue largely to move within a restricted scheme of wants based on a different scale of values: 'the fundamental problem is to get them to want things' is a typical summing-up, and this may serve as a signpost to the complex phenomena of cultural interaction which developmental projects ignore at their peril.

III.

Even if we assume that these doubts can be dispelled and the economic objectives attained, the further question remains whether industrialization can be relied upon to create conditions of stability and peace. Once more we are faced with the initial observation that the effect of Westernization in the undeveloped countries has been to create widespread social disorganization and instability, so that some very strong reason must be advanced if the opinion is to be maintained that further Westernization is either a cure for social disorder or at least compatible with such a cure. No reason for believing this emerges from a consideration of Oriental or African society. It should perhaps be especially mentioned that there is no basis for asserting, as is so often done, that the reintegration of society will come about through Western education. Indeed, it is a common observation that Western education and the growth of criminality run together in these countries. Some writers attempt to get over the difficulty of combining economic development and social reintegration by positing an intrinsic tendency in human societies towards the regaining of equilibrium. Such a normative tendency may be discoverable, though it has not so far been clearly formulated or established; but even then it provides no basis for assuming that industrialism will prove compatible with social reintegration, since this return to equilibrium may involve the more or less complete disappearance of industrialism. In the meantime, Western society itself affords no support for the belief that industrialization either promotes a healthy social order or is compatible with it. Although the social history of Western industrialism is marked by continual attempts in various fields to mitigate and overcome disruption, the generally accepted indices of social disorganization give some statistical precision to the statement that the overall tendency of Western society continues to be in the direction of disintegration. How closely this is connected with industrialism has been shown by the studies of Elton Mayo and others. It is, indeed, difficult to see how an integrated well-functioning society is to be based on extreme social mobility and the continual excitation of greater material ambitions, which are peculiarities of modern industrial systems.

If the prospect for social stability is poor, that for international peace is hardly better. It is, indeed, astonishing that President Truman's belief that 'greater production is the key to . . . peace' should be so widely accepted as a truism. Without advancing any special theory of the relation between industrialization and war, it is sufficient here to point out that the experience of the already industrialized countries is hardly encouraging. In the words of Mr. Justice Jackson at the Nuremberg trials: 'No half-century has ever witnessed such slaughter on such a scale, such cruelties, such annihilations, such wholesale deportations and annihilations of minorities.' Why should it now be supposed that the placing of industrial power in the hands of exacerbated Asiatic and other nationalisms presiding over internal social disorganization is a contribution to world peace?

Finally, whatever short-run diplomatic advantages may arise from offering to assist in the economic development of the undeveloped countries, there seems to be no good reason for believing that these countries will thereby be immunized against Communism. It is true that no advanced industrial country has succumbed to Communism, but it cannot be inferred that there is an ascending scale of immunity to Communism the rungs of which are levels of national income or industrial development. It is patently untrue to say, as is often maintained, that poverty by itself is a condition favouring the growth of Communism. Communist leadership is recruited from the disoriented elements set in motion by economic progress; for Communism takes root only where the Western mania has been acquired for treating all social and cultural problems as economic-technical ones. It gets its chance in semi-developed countries when there is widespread social unrest and insecurity, conspicuous incompetence in the alternative regimes, and popular antagonism to the democratic West roused by acts of interference or aggression. But economic development programmes are not a cure for either social unrest or political incompetence; and they do not preclude interference by the West in the affairs of weaker nations.

It should be stressed that considerations of the foregoing type do not bear directly upon short-run problems and have nothing to say of the utility or otherwise of measures designed to meet emergencies over a limited period; they are concerned, as is proper, not with tactics but with the estimation of general tendencies and probabilities. The conclusion pointed to by these summary criticisms is that reliance on such economic means for the solution of modern political problems is likely to entail great disappointments.

Book Reviews.

WAR AND THE MINDS OF MEN: By Frederick S. Dunn. Published for the Council on Foreign Relations by Harper Bros., N.Y.

This is a book about Unesco. Professor Dunn's career as a Director of the Yale School of International Studies and his first-hand knowledge of Unesco gained from attendance as an adviser at several sessions of the Unesco General Conference have given him strong qualifications to write it. In addition, he has had the advantage of the advice and criticism of some twelve distinguished American social scientists with whom he met regularly over a period of three months in a Council of Foreign Relations Study Group to discuss many of the issues about which he writes.

At the outset Professor Dunn refers to the opening declaration of the Unesco constitution: "that since wars begin in the minds of men it is in the minds of men that the defences of peace must be constructed." This "minds of men" theory is, he says, basic to Unesco's operations. Moreover, it has caught the imagination of many men throughout the world and come "to symbolise a distinctive and somewhat optimistic approach to the whole problem of how to lessen the threat of war in the present age." He deplores the "sacred cow" attitude adopted by some people towards Unesco and adds that the "minds of men" theory is a theory of "communication and learning" which must be subjected to realistic examination. The notion that conflict between nations arises in the minds ofmen and may be controlled by changing men's attitudes is an intriguing one in an age when the masses of men appear to be exerting an increasing influence on policy decisions in international relations. It, is, of course, complicated, as Professor Dunn points out, by the fact that we are developing "techniques that will enable us to influence men's political behaviour in desired directions and so exercise a greater control over international needs." But this must surely-if we have regard for the use already made in certain quarters of techniques for influencing men's behaviour and attitudes-only serve to make a realistic study of the implications of the "minds of men" doctrine a matter of urgency.

When he proceeds to examine realistically this theory of "communication and learning," Professor Dunn raises a host of fundamental issues. Who communicates with whom across international barriers? What is to be the content of the message communicated? Will communication be direct between peoples or through National Governments? How do you reach the minds of men anyhow? By rational argument? Or by psycho-therapeutic measures? Or through educators in schools? And what is the importance of the present tension between Eastern and Western Europe to the "minds of men" theory? In regard to the latter he says:—

"UNESCO has a proper function in revealing to free minds the conditions under which coexistence of the Eastern and Western systems would be acceptable and also the conditions under which it would not be acceptable. UNESCO could thus help to give meaning to the determination to resist if those conditions should not be met. Its role would be to demonstrate that the interests of free people everywhere have an essential unity and that the dignity of each individual is a value in itself."

This book has been described as a pioneer effort to relate the findings of anthropologists and psychologists to a problem in international relations. As

such, it is a significant survey of the whole field. Professor Dunn has raised certain crucial issues in a manner which challenges to further discussion of them. His book deserves a wide public and it is of very great importance that its challenge should be met.

—A. J. Nelson.

HOW CANADA FACES A NEW WORLD: A History of Canadian External Relations. By G. P. de T. Glazebrook. Oxford University Press.

Like Australia Canada has played a notable part, within one generation, in two World Wars. In neither case had Canada made any commitments before war broke out.

Mr. Glazebrook points out that in both cases Canada had no direct part in, and little influence on, the policies that preceded the wars. Theoretically at least—though the issue was never in doubt—Canada could have remained neutral in the recent war. Unlike Australia Canada entered the war as a result of the decision of her Parliament. She did so several days after Britain and Australia had declared war.

This time Canada has made her stand clear in advance. Her Prime Minister, Mr. L. S. St Laurent, has stated definitely:—

"If a third war breaks out Canada will not be neutral." As Mr. Glazebrook notes Canada's outlook on foreign policy changed completely during the recent war. She began very early in the war to extend her representation abroad, previously very restricted, to cover the world. Diplomacy seemed no longer a frill but a necessary instrument of policy.

Though Mr. Glazebrook does not specifically bring out the fact this new and bolder approach to external relations is in a way a return to earlier periods in Canada's history. In 1916, during the first World War, Sir Robert Borden, then Prime Minister of Canada, wanted Canada to have a voice in British war policy. Borden raised informally the question whether this was to be regarded as a British war when the whole of the British Empire was fighting it. After the war, too, Borden successfully upheld, at least in theory—Canada's right to a voice in peacemaking.

Even in much earlier days, as Mr. Glazebrook's excellent historical sketch shows, Canadian Ministers sometimes showed independence and a strong desire to secure for Canada more control of her foreign policy. Sometimes there was little of the cautious policy of no advance commitments.

Mr. Glazebrook is well qualified for his double task of giving the earlier history of Canada's external relations and of describing how, in very recent years, Canada has—like Australia—begun to develop her own external relations policy and to secure the means of carrying it out. As a special assistant to the Under-Secretary of State for External Affairs during the recent war and lately as Counsellor in the Department he has been closely associated with the recent development of Canadian policy and with the remarkable change already noted.

Mr. Glazebrook, as might be expected, gives an admirable account of the external relations of Canada during her earlier history. Like Australia the history of Canada is essentially that of the extension of Western Europe into an alien world.

It is true that to-day Canada, as her Prime Minister said on Remembrance Day, 1948, is "situated right between two great powers." These are the United States and Soviet Russia.

But while her relations with the United States have long been close, continuous and of the first importance for Canada, she has had very little to do with Soviet Russia. Their territories almost meet across the Pole. But till the Air Age was well advanced this neighbourhood had little meaning. To-day it is regarded as a possible danger, not as a means of useful contacts.

Mr. Glazebrook does not, by the way, mention the Gouzenko case or the Canadian spy trials, though these had their effect on Canada's foreign policy.

As he shows it is wrong to assume that Canada's external relations have, apart from her connection with Britain, been almost wholly confined to the United States. They had at times a surprisingly wide range.

Canada showed a good deal of interest in the Pacific back in the 19th century. It was in Canada that Sandford Fleming first put forward the proposal for a Pacific cable linking Canada with Australia. During the score of years that passed before the cable was opened in 1902, as Mr. Glazebrook tells us, "the pressure for the realization of the scheme came from Canada."

In 1889 the Canadian Government gave the Canadian Pacific a special subsidy to carry mails to Hong Kong. In those early days Canada also subsidised shipping to Australia.

Canada offered both men and money for the Crimean War. In the case of the Indian Mutiny Canadian offers of men were accepted. The 100th Royal Canadian Regiment of Foot was raised in Canada for service in India.

It has been estimated that 40,000 Canadians—most of them French-Canadians—fought in the armies of the North during the American Civil War of 1861-65 and that 14,000 were killed. In 1868 Canadians enlisted in the Papal Zouaves. At least 328 of them fought in the defence of Rome.

Unlike some present-day Canadian historians Mr. Glazebrook does not gloss over the clashes between Canada and the United States. He makes it clear that if the Canada-U.S.A. frontier was largely undefended from 1814 onwards, it was partly because Canada could not afford much in the way of defencese.

He points out that as recently as 1903 President Theodore Roosevelt threatened the use of force against Canada over the Alaska-Canada boundary dispute. He adds:—

"There was reason to believe that Roosevelt's chauvinism was not playacting and that it touched a highly responsive chord in the country (the United States). To talk of war was perhaps extreme; but there was a state short of war that would have been as unwelcome to Canada as to London . . . "

In this case the three U.S. members of a supposedly judicial tribunal of six had been "as much as told" by the President that they could find only one verdict, for the United States. Lord Alverstone, the British member, agreed with the United States members. The two Canadians dissented.

Of the tradition about the weakness of British diplomacy on behalf of Canada, Mr. Glazebrook says: "Though not without some reason to support it the argument was less often based on the evidence than on sentiment and on a naive assumption that the Canadian case was always right and that right would always prevail."

In other words Canada was not right in this and in other cases, but she would have lost even if she had been right.

Incidentally it would have helped readers outside—and perhaps even inside—Canada if Mr. Glazebrook had always made clear the fact that before Confederation Canada meant Upper and Lower Canada and that Nova Scotia and other Provinces were not then part of Canada.

Canada set up a department of External Affairs in 1909, but it long remained very tiny. Canada had no part in foreign policy in Europe in the years before 1914.

Mr. Glazebrook sums up Canada's position between the wars as marked by a cautious desire to retain the advantges of the British connection and, as far as might be, to follow a line not dissimilar to that taken by the United States." His "not dissimilar" is a tactful way of putting it.

Mr. Glazebrook thus sums up the position as it stood in 1949:—"The Canadian Government, speaking with a new firmness and determination, is marching with its old allies of the United Kingdom, Western Europe and the United States towards a firm agreement for a firm stand against aggression and war."

Just how far this agreement (presumably the Atlantic Pact) includes Canada's old ally, Australia, is not discussed. —Thomas Dunbabin.

THE BRITISH YEAR BOOK OF INTERNATIONAL LAW 1949. Issued under the auspices of the Royal Institute of International Affairs. Geoffrey Cumberlege, Oxford University Press. 569 pp., including Table of Cases and Index.

This volume of the British Year Book of International Law is dedicated to Sir Cecil Hurst, who founded the Year Book in 1922 and was for many years its Editor and Chairman of the Editorial Committee. It is right and proper that the dedication should have been made on the occasion of the eightieth birthday of this distinguished international lawyer, who was formerly a Judge of the Permanent Court of International Justice and once held the office of Legal Adviser to the British Foreign Office. Sir Eric Beckett's tribute to Sir Cecil in the opening pages of this volume contains some interesting sidelights on the services rendered by him to the cause of international law.

In regard to the general contents of the volume, although the articles on international law proper represent by far the greater part, the best contributions are the two articles on private international law, M. Walter Raeburn contributing a penetrating study on the "Application of the Maxim Mobilia Sequuntur Personam to Bankruptcy in Private International Law," and Professor Graveson an equally illuminating discussion of "The Domicil of a Widow in the English Conflict of Laws." Both articles are well-written and have an air of freshness in their approach to each of the two interesting topics discussed.

Of the studies on international law proper, the most interesting are Professor Margaret Ball's comparison of European and American international organisation of American States and the Council of Europe, and Mr. G. P. Barton's study on the jurisdictional immunity of visiting foreign armed forces. Mr. Barton offers some interesting suggestions, particularly his comparison of the federal constitutional doctrine of "implied powers" with the principle of implied licence underlying the jurisdictional immunity of foreign forces. It is unfortunate however that he was not able, because of the later appearance of the report of the case, to take advantage of Mr. Justice Dixon's illuminating judgment in the High Court decision of of Chow Hung Ching v. The King 77 C.L.R. 449,

particularly the learned judge's discussion of the power of the British Crown to grant to foreign visiting forces specific immunities and privileges binding on the Courts.

There are some other notable contributions. Judge Sir Arnold McNair discusses "Aspects of State Sovereignty" in the light of opinions given to the British Crown by its legal advisers in past centuries; although the article contains num-, erous precedents, these appear to be of historical and academic interest rather than of practical significance. Miss Joyce Gutteridge in an up to date and very useful contribution analyses the Geneva Conventions of 1949 concerning the Red Cross, the protection of civilians in time of war, and prisoners of war; her article is most helpful in elucidating the background of the new instruments, and their effect on previous Conventions and on the previous customary rules. Miss Felice Morgenstern writes on the "Right of Asylum," reaching the conclusion, never open to doubt, that the practice of States as examined by her "has not created a right to individuals to asylum, except, perhaps, in the matter of non-extradition of political offenders." However, there is one erroneous statement in her article which seems to need correction; at p. 327 she observes that "no rule of international law prevents a State from assuming jurisdiction, in its Courts, for offences committed abroad." Surely a State is not entitled to exercise criminal jurisdiction over any person unless the circumstances can be brought within one of the recognised categories of jurisdiction permissible under international law, namely the subjective and passive nationality principles, etc. So to take a case not within these recognised heads of permissible jurisdiction, a British Court could not for instance, without acting in breach of international law, try an Italian entering Great Britain for the theft committed in Milan of a chattel belonging to another Italian.

Of the remaining articles, there is a specialised study by Professor Lauter-pacht under the title "Restrictive Interpretation and the Principle of Effectiveness in the Interpretation of Treaties," in which in the reviewer's opinion the inconclusiveness of and difficulties surrounding the principles of treaty interpretation are much exaggerated by the Professor; Mr. Clive Parry writes on the treaty-making power of the United Nations; Mr. Fawcett contributes a study on the treaty relations of British overseas territories; Dr. Mervyn Jones examines the law of claims on behalf of nations who are shareholders in foreign companies; Dr. Mann discusses the subject of money so far as it affects the determination of rules of international law; and Mr. McDougall finally writes on the position of foreigners in Egypt on the termination of the Mixed Courts. Despite the interesting manner in which these articles are written, it surely cannot be claimed that any one of them breaks fresh ground or contains conclusions of startling novelty.

One general defect in this volume of the Year Book should be mentioned. As in the case of the Year Books of 1947 and 1948, some of the articles are too long and drawn out. Cannot something be done to make the contributions more concise, without sacrificing the treatment of essential matters?

Besides the articles, there the usual valuable shorter Notes, the survey of the year's decisions and case-law, book reviews, and the documentary section on international organisations; the latter section contains a useful analysis of the work of the United Nations International Law Commission.

—J. G. Starke.

CENTRAL AND SOUTH-EAST EUROPE, 1945-1948. Edited by R. R. Betts, Masaryk Professor of Central European History in the University of London, Royal Institute of International Affairs. (Oxford University Press, pp. viii 227, index and maps).

According to the Editor, Professor Betts, this book is meant "to provide a handy record of the political and economic events in central and south-eastern Europe, which, since its liberation from the Germans, have transformed society there." There are six parts contributed by authorities in their respective spheres concerning Roumania, Bulgaria, Yugoslavia, Hungary, Czechoslovakia and Poland. A seventh section, presented by Professor Betts himself, summarises the effects of the "Revolution in Central and South-East Europe".

Any publication having the sponsorship of members of the London University School of Slavonic and East European Studies can be confidently taken as being scholarly and reliable. This one is no exception.

As to the contents of the various chapters on the lands of the "popular democracies" as they are termed under Russian Soviet influence, what impressions are left on the reader? In the first place, the general tendency to indulge in economic planning; secondly, the gradual achievement of supremacy by the Communist Parties, marred in the case of Yugoslavia by the break with the "Cominform" in 1948; the rejection of the Marshall Plan as for example by Czechoslovakia on 10th July, 1947; the increasing reliance upon the military strength of the Soviet Union (with the exception of Yugoslavia, which seemed loth nevertheless to join the Western bloc).

Those who wonder what will be Tito's position in the event of an open clash in Europe between Moscow and Washington may find Phyllis Auty's treatment of Yugoslavian problems of particular interest. It was truly a "damnosa hereditas" which the Marshal inherited. The Nazi invasion and the resultant warfare had caused the destruction of 20% of buildings, 33½% of pre-war industry, 60% of coal mines, 20% of textile factories, 50% of railway tracks, 75% of railway bridges, 50% of rolling-stock, 65% of roads and practically 100% of agricultural stock and equipment.

So awkward was the food problem in 1945 that U.N.R.R.A. had to provide supplies for one-third of the Yugoslav population of fifteen millions. The country had lost a ninth of its people through the wartime deaths of 1,706,000 men, women and children.

Miss Auty emphasises that there was no political revolution in Yugoslavia at the end of the War: the revolution had already been completed during the War. In that way Tito's position as popular leader was far stronger than that of his opposite numbers in the remaining "popular democracies".

With the exception of Yugoslavia, which has acquired notoriety by reason of its falling foul of the "Cominform", probably Czechoslovakia will evoke the greatest interest among ourselves. The shadow of Munich still falls darkly over that most industrialised and most Western of the lands of the Soviet bloc.

One of the keys of the February Revolution in Czechoslovakia in 1948 may be found in Professor Bett's statement on p. 165.

"The psychological damage caused by the fears, excitements and humiliation of the Munich period has proved lasting and it left the nation sub-consciously very susceptible to anti-western propaganda... The revolution caused by the helpless loss of national integrity in Octboer, 1938, and of independence in March, 1939, after only twenty years of restored independence induced in the country a 'malaise' that might easily become either cynical renunciation of national

ideals that had been fostered for a hundred years, or else a readiness to seek salvation in a philosophy which offered light and salvation from the east".

A grim reminder of the human suffering which Hitlerite "racialism" was to cause to former Nazi supporters was the eviction of the three and a quarter millions of Sudeten Germans from Bohemia. This eviction was "to prevent the recurrence of the mass treason of 1938 even if it had to be at the expense of forgoing the Sudeten Germans' skill and industry". Today Czechoslovakia has no racial minority problems.

Reverting to the background of the February Revolution of 1948 which gave the Communist Party complete control of the political machine in Prague, one might note that, even in the original Constituent Assembly of 26th May, 1946, there was no actual parliamentary opposition. The "National Front" was a coalition of the only legal parties, numbering six. Hence there was no legal opposition in Assembly or country; there was never any constitutional alternative to the "National Front".

Not the least valuable chapter of the volume is that on Hungary by Elizabeth Wiskemann. Land reform already attempted elsewhere in Europe in 1919 had passed Magyars by, leaving land-hungry farm-labourers and peasants facing large estates. "Popular democracy" on the Russian model could not fail to profit by the clash of interests.

In the chronicle of Bulgarian events, the eye lights upon the late Georgi Dimitrov, who became Prime Minister of Bulgaria shortly after the War. To him, the erstwhile antagonist of Goering after the Reichstag Fire, came the idea of a great East European Federation. On 17th January, 1948, he declared: "When the time is ripe, the peoples of the popular democracies will decide whether there shall be a federation of States of eastern Europe" (p. 46).

Not long after came the rebuke from Moscow:

"These countries do not need a problematic and artificial federation or customs-union. What they do need is consolidation and protection of their independence and sovereignty through the mobilisation of domestic popular democratic forces as had been said in the declaration of the 'Cominform'." (Moscow Pravda, 28th January, 1948) (p. 47).

From the Roumanian portion may be gathered the steps leading to the abdication of King Michael.

Of Poland perhaps the most striking feature illustrated is the geographical displacement westwards of the country's boundaries. Elimination of German inhabitants from Silesian industrial and Pomeranian agricultural areas has made the River Oder and its tributary the Neisse an international borderline, leaving Berlin dangerously exposed on Germany's eastern side. With the sharing of East Prussian territory between Poland and the Soviet Union, the old problem of a Polish Corridor has vanished. This part of Europe will prove a potent source of friction if and when a Peace Treaty is signed with any German Government. Yet no German minority will assist to act as a lever for German action. About 2 million Germans had been expelled from Poland before October, 1948. Their places were taken by Polish settlers who left the Russian-acquired eastern areas or by those who came from congested regions in the existing Poland (pp. 149-150).

To conclude, one may say that the volume reviewed is a useful addition to the shelves of those who wish to keep abreast of overseas events.

-Launcelot A. Owen.

The Dyason Lectures.

The visit of Bertrand Russell, the second in the series of Dyason Lectures, aroused nationwide interest. On April 24th, the third lecturer, Don Salvador de Madariaga, arrives at Fremantle. He will open his tour in Melbourne. Arrangements are being made for this famous internationalist to give a public lecture in each of the capital cities, and at Armidale, before he leaves Australia on June 18th.

This lecture tour is organised by the Australian Institute of International Affairs, with assistance from the University of Melbourne and the Australian Broadcasting Commission. The subjects on which he will speak are:—

THE SPIRIT OF THE EUROPEAN CIVILISATION.

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